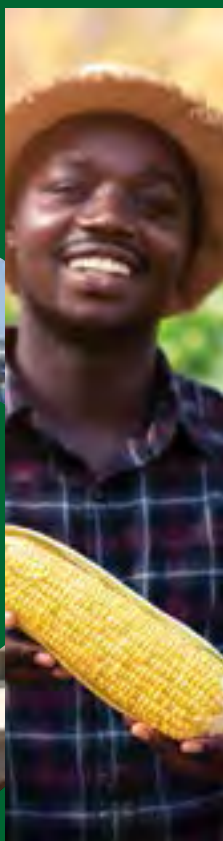


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ANNUAL REPORT 2019/20



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



the dti

Annual Report
2019/20



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RP389/2020

ISBN: 978-0-621-48926-2

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A

GENERAL INFORMATION



LIST OF ABBREVIATIONS AND ACRONYMS

TERM	DEFINITION
ADEP	Aquaculture Development and Enhancement Programme
AfCFTA	African Continental Free Trade Area
AGOA	African Growth and Opportunity Act, 2000
AIS	Automotive Incentive Scheme
APP	Annual Performance Plan
APSS	Agro-Processing Support Scheme
AU	African Union
BEE	Black Economic Empowerment
B-BBEE	Broad-Based Black Economic Empowerment
BI	Black Industrialist
BPS	Business Process Services
BRICS	Brazil, Russia, India, China and South Africa
CCR	Consumer and Corporate Regulation
CEO	Chief Executive Officer
CFO	Chief Financial Officer
C-FTA	Continental Free Trade Area
CGICTPF	Corporate Governance of ICT Policy Framework
CIO	Chief Information Officer
CIP	Critical Infrastructure Programme
CIPC	Companies and Intellectual Property Commission, a public entity reporting to the dti
CMDB	Configuration Management Database
COMESA	Common Market of East and Southern Africa
CRO	Chief Risk Officer
CSIR	Council for Scientific and Industrial Research
CT	Companies Tribunal, a public entity reporting to the dti
CTFL	Clothing, textiles, leather and footwear
DDG	Deputy Director-General
DFI	Development Finance Institution
DG	Director-General
DHET	Department of Higher Education and Training
DIRCO	Department of International Relations and Cooperation
DSBD	Department of Small Business Development
DPSA	Department of Public Service and Administration
DTP	Dube Trade Port
EAC	East African Community
EMDE	Emerging Market and Developing Economies
ECIC	Export Credit Insurance Corporation SOC Ltd, a public entity reporting to the dti
EDS	Export Development and Support
EEIP	Equity Equivalent Investment Programme
EMIA	Export, Marketing and Investment Assistance
EOC	Executive Oversight Committees
EPA	Economic Partnership Agreement
ESEIDC	Economic Sectors, Employment and Infrastructure Development Cluster
EU	European Union
EVP	Employer Value Proposition
EXBO	Executive Board
FDI	Foreign Direct Investment

ABBREVIATION	DEFINITION
FER	Foreign Economic Representative
FRSC	Financial Reporting Standards Council
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GEPP	Global Exporter Passport Programme
GFCF	Gross Fixed Capital Formation
GLP	Good Laboratory Practice
GITOC	Government Information Technology Officer Council
GSR	Generalised System of Preferences
GVA	Gross Value Added
HDPE	High-Density Polyethylene
HR	Human Resources
IDC	Industrial Development Corporation
IDD	Industrial Development Division
ICT	Information and Communications Technology
IF	Industrial Financing
IMF	International Monetary Fund
INES	Integrated National Export Strategy
IP	Intellectual Property
IPAP	Industrial Policy Action Plan
IPRs	Intellectual Property Rights
IRP	Integrated Resource Plan
ISA	Investment South Africa
ITAC	International Trade Administration Commission
KPIs	Key Performance Indicators
LoA	Letters of Authority
MOU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NCA	National Credit Act of 2005, as amended
NCC	National Consumer Commission, a public entity reporting to the dti
NCR	National Credit Regulator, a public entity reporting to the dti
NCT	National Consumer Tribunal, a public entity reporting to the dti
NDP	National Development Plan
NDPWI	National Department of Public Works and Infrastructure
NEDLAC	National Economic Development and Labour Council
NEDP	National Exporter Development Programme
NEF	National Empowerment Fund, a public entity reporting to the dti
NGB	National Gambling Board, a public entity reporting to the dti
NIPF	National Industrial Policy Framework
NIPP	National Industrial Participation Programme
NLA	National Liquor Authority
NLC	National Lotteries Commission, a public entity reporting to the dti
NMISA	National Metrology Institute of South Africa, a public entity reporting to the dti
NMOG	National Macro Organising of Government
NRCS	National Regulator for Compulsory Specifications, a public entity reporting to the dti
NSG	National School of Government
NT	National Treasury
ODG	Office of the Director-General

ABBREVIATION	DEFINITION
ORTIA	OR Tambo International Airport
OSS	One Stop Shop
QLFS	Quarterly Labour Force Survey
PAP	Policy Action Plan
PAJA	Promotion of Administrative Justice Act
PFMA	Public Finance Management Act
PI	Public Interest
PICC	Presidential Infrastructure Coordinating Commission
PMU	Project Management Unit
POPIA	Protection of Personal Information Act
PPE	Personal Protective Equipment
PPP	Public-Private Partnership
PTA	Preferential Trade Agreement
PTAs	Provincial Trade Agencies
R- CTFL	Retail- Clothing, Textiles, Footwear and Leather
RETS	Resources Equipment and Technology Services
RIA	Regulatory Impact Assessment
RMC	Risk Management Committee
RSA	Republic of South Africa
SABS	South African Bureau of Standards, SOC Ltd, a public entity reporting to the dti
SACSA	South African Council for Space Affairs
SACU	Southern African Customs Union
SADC	Southern African Development Community
SANAS	South African National Accreditation System, a public entity reporting to the dti
SAPP	South African Poultry Association
SARB	South African Reserve Bank
SDI	Spatial Development Initiative
SEIAS	Socio Economic Impact Assessments
SDIP	Service Delivery Improvement Plan
SEFA	Small Enterprise Finance Agency
SEZ	Special Economic Zone
SEZ&ET	Special Economic Zone and Economic Transformation
SIC	Standard Industrial Classification
SMMEs	Small, Medium and Micro-Sized Enterprises
SMS	Senior Management Service
SOE	State-Owned Enterprise
SPII	Support Programme for Industrial Innovation
SPP	Strategic Partnership Programme
SSA	Sub-Saharan Africa
SASS	Sector-Specific Assistance Scheme
SASA	South African Sugar Association
TDCA	Trade and Development Cooperation Agreement
TERS	Training and Employment Relief Scheme
T-FTA	Tripartite Free-Trade Agreement
the dti	The Department of Trade and Industry
the dtic	The Department of Trade, Industry and Competition
THRIP	Technology and Human Resources for Industry Programme
TID	Technical Indicator Description
TISA	Trade Investment South Africa



ABBREVIATION	DEFINITION
TIWG	Trade and Investment Working Group
UNCTAD	United Nations Conference on Trade and Development
US	United States
USTR	United States Trade Representatives
UK	United Kingdom
WEO	World Economic Outlook
WHO	World Health Organisation
WIR	World Investment Report
WTO	World Trade Organisation
WYPD	Women, Youth and People with Disabilities



MR EBRAHIM PATEL
MINISTER OF TRADE AND INDUSTRY

2. FOREWORD BY THE MINISTER

This Annual Report presents the performance of the Department of Trade and Industry (**the dti**) for the 2019/20 financial year, which may be read together with the Annual Report of the Economic Development Department (EDD) for the same period.

This is the final Annual Report that will be tabled for **the dti** as a standalone department, as effective 1 April 2020 the department merged with the former EDD to create the Department of Trade, Industry and Competition (**the dtic**).

While **the dti** reports separately to the EDD for the 2019/20 financial year, much of the work of the two departments began to be integrated and aligned following the decision to merge them after the national elections in May 2019. As a result, there was considerable collaboration between officials in undertaking their work throughout the period, much of which was evident in the response to the COVID-19 pandemic.

the dti has a significant mandate and is responsible for a large number of public entities, and its work is at the heart of South Africa's industrialisation project. Over the years, the department has built a reputation for partnerships with industry and it administers a wide range of incentive programmes.

Following the start of the 6th Administration, **the dti** took responsibility for the Reimagined Industrial Policy, which seeks to deepen partnerships at sector level to increase economic output in productive sectors, largely manufacturing, but with a focus on key services such as filmmaking and global business services (call centres).

In this financial year, the department focused on implementation of the Automotive Masterplan, and concluded two new masterplans agreed to by stakeholders, which now represent major opportunities for the respective value chains

to break from their current paths of import-induced crisis and job losses. The automotive industry had a record production output (January to December 2019) and was a significant earner of foreign exchange for South Africa.

In the Retail - Clothing, Textile, Footwear and Leather (R-CTFL) Masterplan, stakeholders have agreed to a fundamental re-orientation from imports to locally produced goods, with domestic manufacturers expected to supply R67-billion worth of retail purchases annually over a period of time, grow value-chain employment to about 320 000 jobs, and substantially increase investment.

The masterplan has had an almost immediate impact, with investments of R6,7 billion pledged by key firms at the Investment Conference in 2019. Through the Inter-Agency Working Group, almost 900 seizures have been finalised covering illegal and counterfeit imports of clothing and footwear in the six-month period to February 2020. Stakeholders in the sector see the masterplan as a major opportunity to reposition the value chain for a new period of growth, investment and job creation. The first signs of progress with the masterplan were seen in this period.

A second masterplan completed in the financial year covered the poultry sector. Following years of acrimonious fighting between local producers and importers, an industry process was put in place, co-chaired by my colleague Minister Thoko Didiza, which resulted in an agreement on measures to deepen levels of local production and position the industry for greater levels of exports. Poultry local production has increased over the first eight months of 2020.

The department has also worked closely with stakeholders to develop the Sugar Masterplan, which was launched shortly after the end of this accounting period. Work was also undertaken on a Steel and Furniture Masterplan.

In accordance with our renewed focus on policy and programme implementation, **the dti** continued to work intensively with provincial stakeholders to facilitate investment in South Africa's operational Special Economic Zones (SEZs) in particular. To this end, the Dube-Tradeport and OR Tambo International Airport SEZs were approved for expansion in 2019. The OR Tambo SEZ has been expanded to include the Tshwane Auto City, an ambitious partnership with Ford Motors, the Gauteng province and Tshwane Metro to develop a R6,7-billion automotive hub.

The project was announced at South Africa's Second Investment Conference, at which investors pledged investments amounting to R363 billion. **the dti** is working with these investors to convert the pledges to operational investments that employ our people and grow the economy.

African economic integration received a boost during the financial year, with ratifications of the African Continental Free Trade Area (AfCFTA) crossing the hurdle required for it to come into effect. Much of the work required to commence trading under the new agreement started in the period, with officials of **the dti** working closely with trading partners to finalise terms.

Africa has the opportunity to break free from the neo-colonial role of simply being a supplier of raw materials – a continent-wide market can emerge, to draw investment and enable a Made in Africa, Grown in Africa vision to be realised.

Naturally, much hard work remains, but the agreement augurs well for the growth and long-term development of Africa and her people.

The focus on attracting new investment was led by InvestSA, a unit of **the dti** that worked with both domestic and foreign investors to secure pledges now totalling R664 billion in the South African economy.

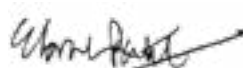
Structural reforms to grow South Africa's economy must include a more equitable distribution of economic opportunities and rewards, to redress past injustices and create a larger source of domestic demand. This is critical to South Africa's long-term prosperity and social stability. The foundations have been laid with new competition legislation.

Over the last decade, we have effected policy changes to encourage more broad-based empowerment. In addition, to assist black enterprises more directly, **the dti**, EDD, the Industrial Development Corporation (IDC) and National Empowerment Fund (NEF) introduced the Black Industrialists Scheme in 2016. The scheme has seen support of R32,6 billion provided to more than 900 enterprises or projects over the last five years. This has resulted in an additional investment of approximately R30 billion, which has created or sustained approximately 50 000 jobs.

Important as this achievement is, South Africa remains characterised by severe inequalities. These necessitate the strengthening of support to interventions that create opportunities for inclusive growth, such as the revitalisation of local industrial parks and the establishment of Digital Hubs to provide opportunities to unemployed youth and create a pathway into the digital economy.

Director-General Lionel October and his team have again achieved a clean audit and are to be congratulated! One of the most important functions of the department is oversight of public entities, and public concerns relating to entities have taken the time and effort of the DG and his team, as they focused on strengthening performance and governance.

Finally, the work of **the dti** is a reflection of the contributions of many persons. They include Deputy Ministers Nomalungelo Gina and Fikile Majola, who provide leadership and policy support; DG October and the many dedicated staff of **the dti** and its entities, who do the hard day-to-day work in the economy; and the Parliamentary Portfolio and Select Committees of Trade and Industry, which provide oversight and critical feedback to our work. Dr Rob Davies led **the dti** at the start of the current accounting period and contributed enormously over the years in the focus on industrialisation. I would like to convey my sincere gratitude to each of them.



Mr Ebrahim Patel

Minister of Trade, Industry and Competition



MS NOMALUNGELO GINA
DEPUTY MINISTER

3. DEPUTY MINISTER STATEMENTS

It is with a deep sense of contentment that we are presenting this 2019/20 Annual Report for the department. A lot of work was put into action to delivering on our mandate as the department. As this department, we are responsible for the country's industrial policy implementation, which must be iterated continuously on various fronts, such as:

- Trade and Investment
- International Trade Development
- Industry Development
- Special Economic Zones
- Incentive Development and Corporate Regulation
- Consumer and Corporate Regulation
- Investment SA

These areas constitute key drivers for our industrial policy implementation and our performance is evaluated against the optimum delivery of these programmes. This financial year has traversed the electoral term of office for this government, from the fifth to the sixth Administration. Among the changes associated with the sixth Administration was the amalgamation of the Trade and Industry and Economic Development Departments following President Cyril Ramaphosa's reconfiguration of the state departments. And so, the formal merger was pronounced, and formalised, on 1 April 2020 after an extensive process of institutional and organisational integration between the two departments.

In the course of this financial year, notwithstanding other achievements made, we have concluded and produced the SA Automotive Sector Masterplan. This is a tripartite agreement between government, the industry and trade unions organising within the sector. This masterplan will

replace the one expiring in 2020. We have also finalised the Sugar Masterplan, which, like the Automotive Masterplan, will diversify the sector and address the demographic balance and localisation. A lot of work is being done towards the Furniture Masterplan, which began during this financial year. The department is also finalising work on the policy framework for the Social and Solidarity Economy landscape.

As we are all aware, this financial year and our pursuit of programmatic implementation suffered a huge setback as a result of the advent of the COVID-19 pandemic with its attendant result of national lockdown. The State of National Disaster declaration by the President, important as it was had its obvious corollary, and limited the pace and tempo of implementation. Budget reprioritisation had to be done as a response to the pandemic. The entire government system had to pay particular attention to this deadly virus. In this regard, we must congratulate the President and the entire Command Council for the sterling job in providing leadership.

Notwithstanding this pandemic, the department under the leadership of Minister Ebrahim Patel, Deputy Minister Fikile Majola and Director-General Lionel October did well overall.

Ms Nomalungelo Gina

Deputy Minister of Trade and Industry



MR FIKILE MAJOLA
DEPUTY MINISTER

DEPUTY MINISTER STATEMENT

The report is presented at the time our country is confronted with the enormous task of reconstructing our economy in the aftermath of the devastating COVID-19 pandemic that has caused severe global disruption. During my Budget Vote speech delivered on 11 July 2019, I indicated that the Budget Vote is presented during a very difficult and challenging time. Little did we know then that the contractions would be impacted heavily by the current challenges that have been brought about by the COVID-19 outbreak across the globe. Our government has been at the helm of dealing with this crisis to shield our people from the worsening living conditions due to a declining economy and the health requirements of surviving COVID-19.

Our immediate task remains the sustainable growth of the economy and job creation. Our economic strategy going forward will require a new social compact among the role players to achieve inclusive economic growth. Localisation will be the new focus of government. To kick-start a massive programme of localisation, certain local industries where localisation will be driven aggressively must be supported with special measures.

As part of our reconstruction and recovery plan, as government and particularly **the dti** and all its entities, we will prioritise broader pacts with workers and businesses, focused on saving as many companies and jobs, identifying new opportunities and addressing economic inclusion with greater urgency.

It is imperative for us to look beyond our borders to accomplish the task of inclusive economic growth and job creation. In this regard, we have an opportunity presented by the establishment of the African Continental Free Trade Area (AfCFTA), which is a flagship project of the African Union's Agenda 2063 aimed at boosting intra-Africa trade. This commitment will create an integrated and diversified market of approximately US\$2.5 trillion. Our country

accounts for approximately a quarter of intra-trade in the continent and will benefit massively from driving the consolidation of Africa's integrated market. The creation of capacity to produce personal protective equipment (PPE) in the fight against COVID-19 also gave us the opportunity to become a supplier to the Southern African Customs Union (SACU) communities and broader African continent.

the dti has been instrumental in facilitating the transformation of the economy to promote industrial development, investment, competitiveness and employment creation. The various instruments of industrial development, trade policy, competition measures and broadening levels of empowerment and economic inclusion have been key to achieving departmental objectives. These tools have been instrumental in navigating the various new challenges that have been posed by the pandemic during this financial year.

I have to highlight that the pandemic outbreak has brought along opportunities for government and the business sector to realise potential in Special Economic Zones (SEZs) as a catalyst and great infrastructure for investment into setting up new manufacturing entities in our country. We have seen an increase in SEZs as drivers of sustainable economic growth and industrialisation. We will increase efforts in ensuring that we continue building solid SEZs to complement the existing designated 11 SEZs. There has been an increase in the aggregate rand investment value of more than R17.7 billion (as of the end of Quarter 4 of the 2019/20 financial year) when compared with previous financial year figure of R12 billion reported at the end of Q4.

A key development is the Tshwane Automotive SEZ, which is a key launch pad towards developing Tshwane as the first Automotive City in the African continent. This project has surpassed government's localisation policy imperatives and has empowered 45% local businesses in the construction phase, qualifying it as a model project

for localisation. This is a good development considering the contractions in the global and domestic economy that have led to lower consumer and investor confidence.

In line with our localisation efforts, there has been more than 400 Black Industrialists that have been supported since the adoption of the Black Industrialist Policy by Cabinet in the financial year 2015/16. Firms that have been supported have played a significant role in expanding our manufacturing base, economic growth, creation of employment and ensuring redress in the economy. The support of government focuses on rebuilding manufacturing capacity, building capacity and local technological innovations in the various economic sectors as part of the localisation plans of government, the Black Industrialist Policy and the Reimagined Industrial Policy.

The development of masterplans in the various sectors is crucial in ensuring that the Reimagined Industrial Policy objectives are achieved. I want to highlight that there has been success achieved through the implementation of the Automotive Masterplan, which is one of the masterplans that are showing great results. There has been a decline of 2.8% in the domestic sale market, however, there has been record increases in the export market and vehicle production. Component exports saw a rise of R2.4 billion in 2019 and

this is part of the good story of masterplans as key drivers in operationalising the Reimagined Industrial Policy.

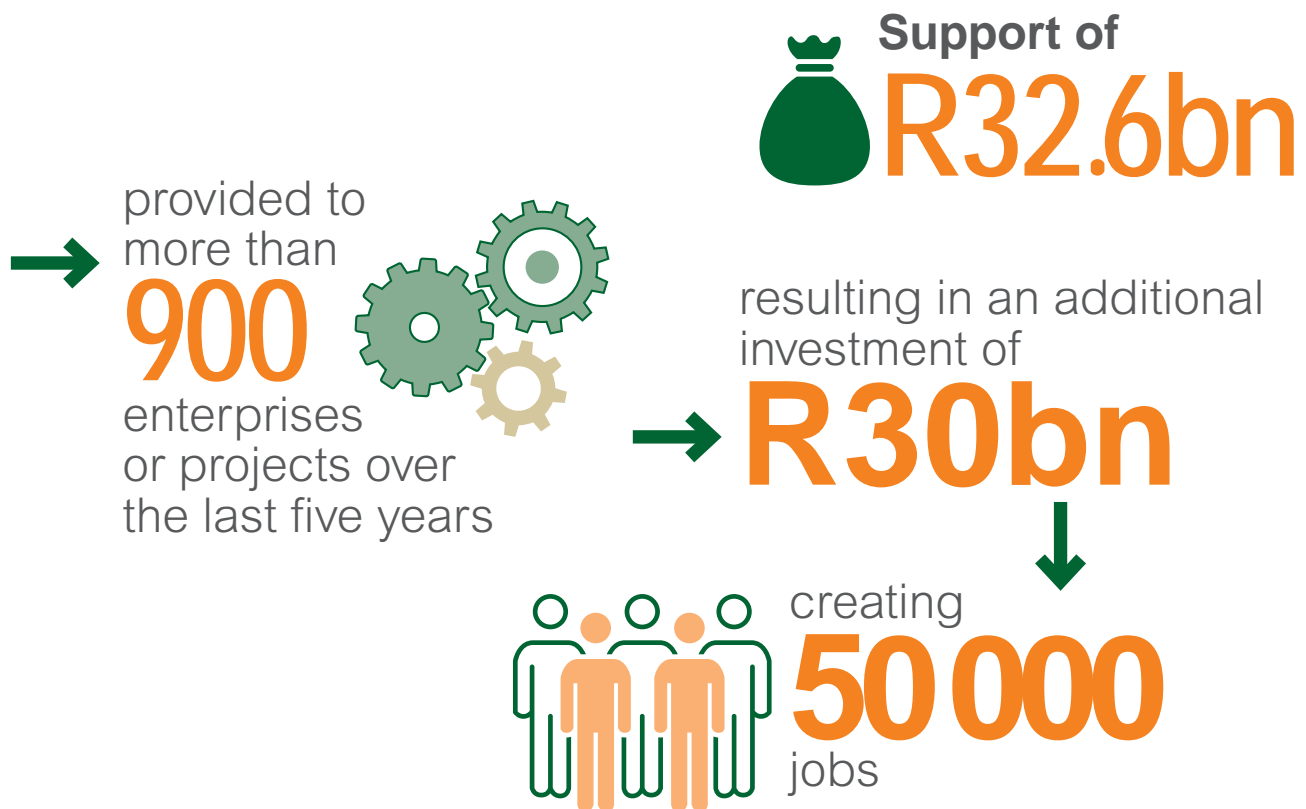
It is imperative that the State, through its various spheres and organs, should at all times function as a unit. To contribute to this great initiative, the work of **the dti** will be reorganised to support the District Development Model, to get more value for each rand we spend.

I would like to thank Minister Patel, Deputy Minister Gina, Director-General October and the dedicated staff of **the dti** and its entities. I would further like to acknowledge and thank the Parliamentary Portfolio and Select Committees of Trade and Industry for their immense support to the work of the Executive and the department. I am sincerely humbled by the collective work of our government and the leadership that has been provided throughout the daunting unknown territory we have been navigating since we encountered the COVID-19 pandemic.



Mr Fikile Majola

Deputy Minister of Trade and Industry





MR LIONEL OCTOBER
DIRECTOR-GENERAL

4. REPORT OF THE ACCOUNTING OFFICER

4.1 Overview of the operations of the department

As the custodian of the country's industrial policy, **the dti** is tasked with facilitating industrialisation and economic development that results in the promotion of trade, inclusive growth and employment creation. The department plays a critical role in the formation of trade and investment policy in South Africa with the aim of promoting and facilitating sustainable growth and economic development.

This is achieved through building an equitable multilateral trading system that facilitates development, strengthens trade and investment links with key economies, and fosters African development through regional and continental integration.

The department's work is aligned with the strategic objectives outlined in the National Development Plan (NDP), annual Medium-Term Budget Policy statement and 2014-2019 Medium-Term Strategic Framework. During the period under review the department prioritised the provision of support to the manufacturing sector, and promoting international trade, investment and broad-based black economic empowerment (B-BBEE).

4.2 Overview of the financial results of the department

4.2.1 Departmental receipts

During the 2019/20 financial year, departmental revenue collected amounted to R106 million, when compared with R73.3 million in 2018/19. The increase is due to the PPP rental charged and other recoveries in the current financial year. Furthermore, debt of R14 million was written off due to non-recoverability.

Other sources of revenue were from liquor licences and patent examination fees as well as rental on parking.

Departmental receipts	2019/2020			2018/2019		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	5 500	5 453	47	4 800	3 773	1 027
Liquor licences	5 500	5 453	47	4 800	3 733	1 027
Sale of goods and services produced by department	721	669	52	610	628	(18)
Sale of scrap, waste and other used current goods	6	77	(71)	5	4	1
Fines, penalties and forfeits	140	139	1	60	41	19
Interest, dividends and rent on land	1 700	7 895	(6 195)	1 650	279	1 371
Sale of capital assets	400	32	368	350	10	340
Financial transactions in assets and liabilities	69 398	91 798	(22 400)	66 253	68 570	(2 317)
Total	77 865	106 063	(28 198)	73 728	73 305	423

4.2.2 Programme Expenditure

As at 31 March 2020, the department spent R9.97 billion or 98.9% of the allocated budget of R10 billion. Of the R9.97 billion spent, R5.7 billion or 57.6% was disbursed to beneficiaries across the various incentive programmes – i.e. R3.2 billion was disbursed to beneficiaries in automotive, Black Industrialist, agro-processing and industrial loans for manufacturers under the manufacturing development incentives, while R1.5 billion was financial support for bulk infrastructure, top structures and critical infrastructure to improve industrialisation, regional development, exports, employment and attract foreign and domestic direct investment in the SEZs, Industrial Parks and economic areas of various municipalities.

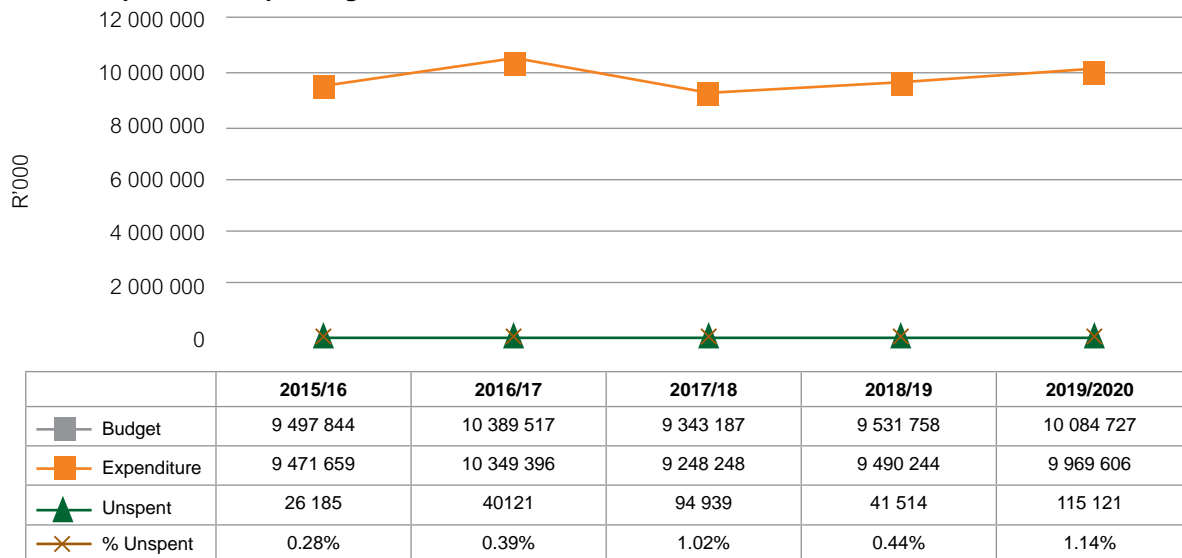
Furthermore, R1.32 billion or 13.3% was transferred to public entities and R982.4 million or 9.9% was disbursed to external programmes, while non-profit organisations and international organisations, of which South Africa is a member, accounted for R208.5 million or 2.1%.

Spending on operational costs was R1.7 billion or 17.2%.

Economic classification	Final Appropriation 2019/20	Actual Expenditure as at 31 March 2020	(Over)/ Under expenditure	Final Appropriation 2018/19	Actual Expenditure as at 31 March 2019	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Current payments, which consist of:	1 766 109	1 684 263	81 846	1 711 580	1 693 990	17 590
Compensation of employees	1 046 769	995 215	51 554	987 518	982 100	5 418
Goods and services	719 340	689 048	30 292	724 062	711 890	12 172
Transfers and subsidies, which consist of :	8 286 660	8 259 005	27 655	7 796 759	7 777 760	18 999
Incentives	5 764 671	5 740 166	24 505	5 405 854	5 386 886	18 968
Departmental agencies	1 322 773	1 322 773	-	1 216 186	1 216 186	-
Other transfers	1 199 216	1 196 066	3 150	1 174 719	1 174 688	31
Payments for financial assets	14 523	14 521	2	453	451	2
Payments for capital assets	17 435	11 817	5 618	22 966	18 043	4 923
Total	10 084 727	9 969 606	115 121	9 531 758	9 490 244	41 514

As depicted in the graph below, there has been consistency in the spending pattern of the department against its budgetary allocation over the past five years, with under-spending below 2% of the allocated budget for each specific year.

Figure 1: Comparison on spending – 2015/16 to 2019/20



The table below reflects the department's expenditure on programme level.

Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	824 760	807 745	17 015	819 163	813 518	5 645
International Trade and Economic Development	125 082	124 332	750	122 093	122 075	18
Special Economic Zones and Economic Transformation	165 289	156 300	8 989	136 100	121 963	14 137
Industrial Development	2 091 561	2 076 606	14 955	2 018 645	2 018 625	20
Consumer and Corporate Regulation	336 215	329 908	6 307	324 443	323 846	597
Incentive Development and Administration	5 937 323	5 902 929	34 394	5 571 701	5 560 651	11 050
Trade and Investment South Africa	538 303	505 655	32 648	460 818	460 194	624
Investment South Africa	66 194	66 131	63	78 795	69 372	9 423
Total	10 084 727	9 969 606	115 121	9 531 758	9 490 244	41 514

Programme 1: Administration

The expenditure in this programme decreased from R813.5 million in 2018/19 to R807.7 million in 2019/20, a decrease of 0.71%, which is attributable to the National Macro Organisation of Government (NMOG).

Programme 2: The International Trade and Economic Development Division

During the period under review, the programme's expenditure increased from R122.1 million in 2018/19 to R124.3 million in 2019/20, an increase of 1.8%, which is mainly attributed to the cost-of-living adjustment.

Programme 3: Special Economic Zones and Economic Transformation Division

During the period under review, the programme's expenditure increased by 28%, from R122 million in 2018/19 to R156.3 million in 2019/20, which is mainly due to the continued work to drive economic transformation and increase participation in industrialisation.

Programme 4: Industrial Development Division

The expenditure in this programme increased from R2 billion in 2018/19 to R2.1 billion in 2019/20, an increase of 2%, which is mainly attributed to the cost-of living adjustment.

Programme 5: Consumer and Corporate Regulation Division

The programme's expenditure increased from R323.8 million in 2018/19 to R329.9 million in 2019/20, an increase of 1.9%, which is mainly attributed to the cost-of living adjustment.

Programme 6: Incentive Development and Administration Division

During the period under review, expenditure in this programme increased from R5.6 billion in 2018/19 to R5.9 billion in 2019/20. The increase of 6% is a result of the continued provision of effective and accessible incentive measures that support national priorities.

Programme 7: Trade and Investment South Africa Division

During the period under review, expenditure in this programme increased from R460 million in 2018/19 to R505.6 million in 2019/20, an increase of 9.9%, which is mainly attributed to vouchers on the foreign mission offices received from the Department of International Relations and Cooperation (DIRCO).

Programme 8: Investment South Africa Division

During the period under review, expenditure in this programme decreased from R69.4 million in 2018/19 to R66.1 million in 2018/19. This decrease of 4.7% is mainly due to three provincial one stop shops that were launched in the 2018/19 financial year.

4.2.3 Virements/rollovers

Virement from the following programme	Virement to the following programme	Amount (decrease)/ increase R'000	Reasons	Approved by
Programme 1: Administration		(66 216)	Reprioritisation of funds as a result of certain ICT initiatives that were not fulfilled as well as stringent cost-containment measures implemented by the department.	NT and Accounting Officer
Programme 2: ITED		(5 360)	Reprioritisation of funds as a result of a favourable exchange rate on payments made to foreign organisations as well as stringent cost-containment measures implemented by the department.	NT and Accounting Officer
	Programme 3: SEZ & ET	5 245	Reprioritisation of funds to provide support for the continued work to drive economic transformation and increase participation in industrialisation.	NT and Accounting Officer

Virement from the following programme	Virement to the following programme	Amount (decrease)/ increase R'000	Reasons	Approved by
Programme 4: IDD		(9 253)	Reprioritisation of funds as a result of stringent cost-containment measures implemented by the department.	NT and Accounting Officer
Programme 5: CCRD		(3 490)	Reprioritisation of funds as a result of stringent cost-containment measures implemented by the department.	NT and Accounting Officer
Programme 6: IDAD		(16 007)	Reprioritisation of funds as a result of stringent cost-containment measures implemented by the department.	NT and Accounting Officer
	Programme 7: TISA	97 912	To cover expected vouchers from foreign mission offices.	NT and Accounting Officer
Programme 8: ISA		(2 831)	Reprioritisation of funds as a result of stringent cost-containment measures implemented by the department.	NT and Accounting Officer

4.2.4 Unauthorised expenditure

The department did not incur any unauthorised expenditure for the 2019/20 financial year.

4.2.5 Fruitless and wasteful expenditure

The department did not incur any fruitless and wasteful expenditure for the 2019/20 financial year.

4.2.6 Future plans of the department

The department's future plans have been captured in the Strategic Plan 2015-2020 and the Annual Performance Plan 2019-2020, and are aligned with government priorities and outcomes over the 2014-2019 electoral period.

4.2.7 Public Private Partnerships (PPPs)

the dti has a Public Private Partnership (PPP) agreement for office accommodation in operation for a period of 25 years. The agreement commenced in August 2003 and provides for the designing, financing, building, operating/maintaining and transferring of **the dti** Campus. This fully serviced office accommodation is provided to **the dti** and two other government departments, as well as some public entities located on the campus.

In addition to the above, National Treasury consented that **the dti** could enter into a sub-leasing arrangement with public entities for Block G until it completes the process of acquiring Block G and including it in the PPP contract. National Treasury has since given a further extension until May 2021. It has, however, been established that it would no longer be beneficial to incorporate Block G into the PPP. The lease will thus only be in effect until May 2021 as per National Treasury consent. A process with the NDPWI/public entities to consider taking up the space is under way considering the interconnectedness of the block with the main campus.

4.2.8 Discontinued activities/ activities to be discontinued

During the period under review, no activities were discontinued.

4.2.9 New or proposed activities

During the period under review, there were no new or proposed activities.

4.2.10 Supply chain management

The prescribed transversal system Logistical Information System (Logis) is utilised for the provisioning of goods and services, record-keeping and reporting thereof. Apart from the system controls, a number of additional internal control measures have been implemented to detect and prevent irregular expenditure. The department also makes use of the Central Supplier Database, which was implemented by the National Treasury.

4.2.11 Gifts and donations received in kind from non-related parties

A list of the nature of the in-kind goods and services provided by the department or received from parties other than related parties is disclosed as an annexure to the Annual Financial Statements.

4.2.12 Exemptions and deviations received from the National Treasury

No exemptions were requested by the department in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), or Treasury regulations as may be applicable to any of the reporting requirements. However, due to the National State of disaster, the Minister of Finance approved exemption (Government Gazette, 31 March 2020, No. 43188) on specific sections of the PFMA and provisions of Treasury instructions issued in terms of section 76 of the PFMA from complying with the deadlines in sections 8(1)(b), 8(5), 19(1)(b), 40(1)(c), 40(1)(d), 55(1)(c), 55(1)(d) and 65(2) of the Act.

4.2.13 Events after the reporting date

The department was impacted by the NMOG. **the dti** and EDD merged with effect from 1 April 2020. As the merger took place after year end, there were no additional disclosure requirements for the primary financial information.

The impact of the COVID-pandemic on the economy, together with the budget adjustments tabled by the Minister of Finance on 24 June 2020, required a change to the 2020/21 Annual Performance Plan.

Both events took place after the reporting date of 31 March 2020 and would not impact on the financial position of **the dti**.

4.2.14 Report in terms of section 32 of PAIA

Reporting period: 1 April 2019 to 31 March 2020	Total Number	Comments
(a) number of PAIA requests received	41	Three requests still in process Three requests transferred to other organisations In four instances, the requested records did not exist
(b) number of requests granted in full	11	
(c) number of requests granted despite there being grounds for refusal, but granted in the public interest	0	
(d) number of requests: (Note: Three parts to be completed)	5	
(i) refused in full		
(ii) refused partially	15	
(iii) number of times a provision of PAIA was relied on to refuse a request in full/partially	15	
(e) number of instances where the 30-day period to deal with a request was extended	13	
(f) number of internal appeals: (Note: Two parts to be completed)	2	
(i) lodged with the relevant authority		
(ii) number of cases where requests were granted as a result of an internal appeal	1	
(g) number of internal appeals lodged on account of a deemed refusal	0	
(h) number of applications to court on the grounds that an internal appeal was dismissed by the relevant authority failing to give notice of its decision in the timeframes stated in section 77 (3)	0	
(i) comments including those relating to implementation, application, requests or areas of PAIA in respect of which reforms are recommended	0	

4.2.15 Donor funds managed by the department

Employment creation fund	
Donor	European Union
Amount	€100 million
Period of commitment	Three years
Purpose of funding	Employment creation, sector policy support to the economic cluster programme of action
Expected output	the dti is the spending agency of the RDP fund as defined in the RDP Act. This support contributes to creating equality for the economically marginalised, improving the business enabling environment and increasing capacity and skills in the productive sectors of the economy.
Actual output achieved	Employment-creating projects supported. Most of these projects are in rural and peri-urban areas. Their nature ranges from agriculture, agro-processing, manufacturing, green industries and niche product manufacturing to industrial research and development, entrepreneurship and business incubation, and SMME development.
Amount received in the current financial year	R56 451 524.26 (2018/19) R45 757 093.39 (2019/20)
Amount spent by the dti	R43 836 524.26 (2018/19) R38 267 093.39 (2019/20)
Monitoring mechanism by donor	The ECF programme is audited by the Auditor-General of SA as part of the annual statutory audit or external auditors at the request of the donor.

Appreciation

I extend my sincere gratitude to all staff and stakeholders who have contributed to the department's good performance in the period under review.



Mr Lionel October

Director-General

31 July 2020

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the Annual Report are consistent.

The Annual Report is complete, accurate and free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by National Treasury.

The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2020.

Yours faithfully



Mr Lionel October

Accounting Officer

31 July 2020

6. ECONOMIC OVERVIEW

External Environment Analysis

Global Economic Context

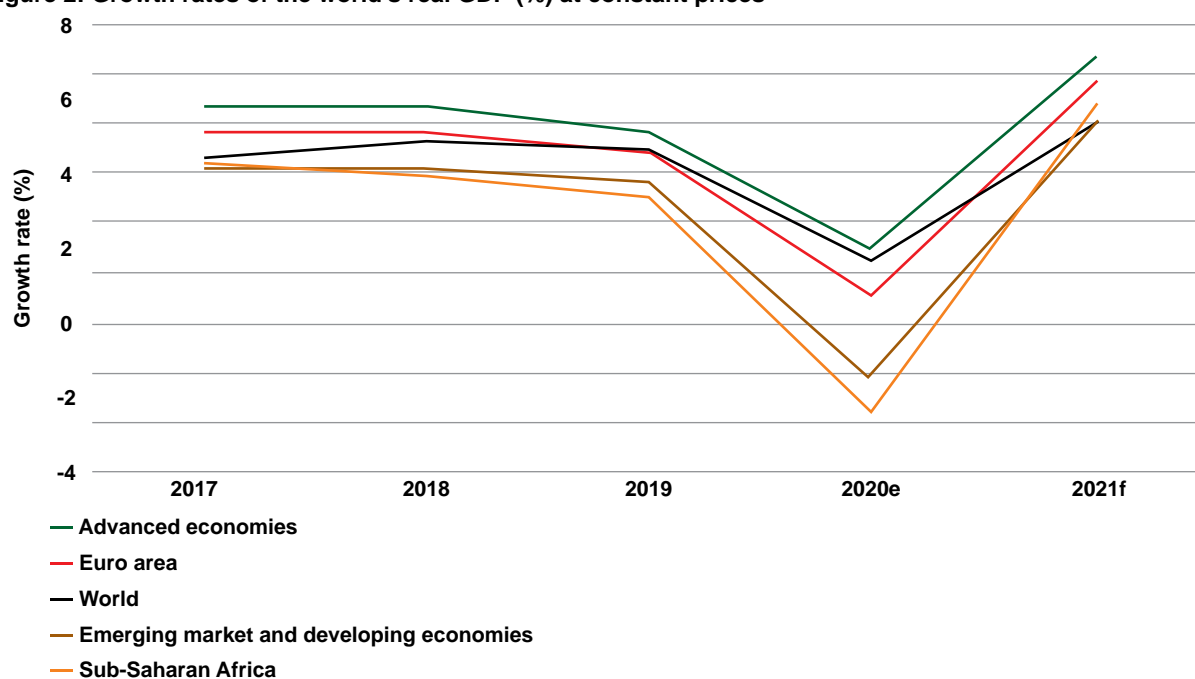
Several challenges confronted the global economy in 2019. Adverse developments in the global trading and investment arenas, especially the trade war between the United States (US) and China, were the principal contributing factors to the global economic slowdown. The trade spat reached its peak in September 2019 when the cumulative trade subjected to increased tariffs between the US and China amounted to US\$ 550 billion (World Bank: Global Economic Prospects, January 2020). The increase in tariffs and months of shifting between the escalation and de-escalation of global trade tensions have fuelled policy uncertainty, significantly curtailed investment and pushed global growth down in 2019.

In addition, various key indicators of economic activity such as business confidence, purchasing managers index and global trade index declined in 2019. As a result of these challenges, the global economy managed to only grow by 2.9% last year. Growth rates moderated in most of the world's larger economies, both advanced and emerging.

Advanced economies grew by a mere 1.7% in 2019 compared to 2.2% in 2018, while the Euro area grew by 1.2% in 2019 compared to 1.9% registered in 2018 (IMF: World Economic Outlook, April 2020).

The Emerging Market and Developing Economies group grew by 3.7% in 2019 compared to 4.3% registered in 2018, with China and India growing at 6.1% and 4.2% respectively. In sub-Saharan Africa growth was at 3.1% in 2019. The three largest economies in the region (Angola, Nigeria and South Africa) performed well below historical averages and contracted for the fifth consecutive year on a per capita basis (World Bank: Global Economic Prospects, January 2020).

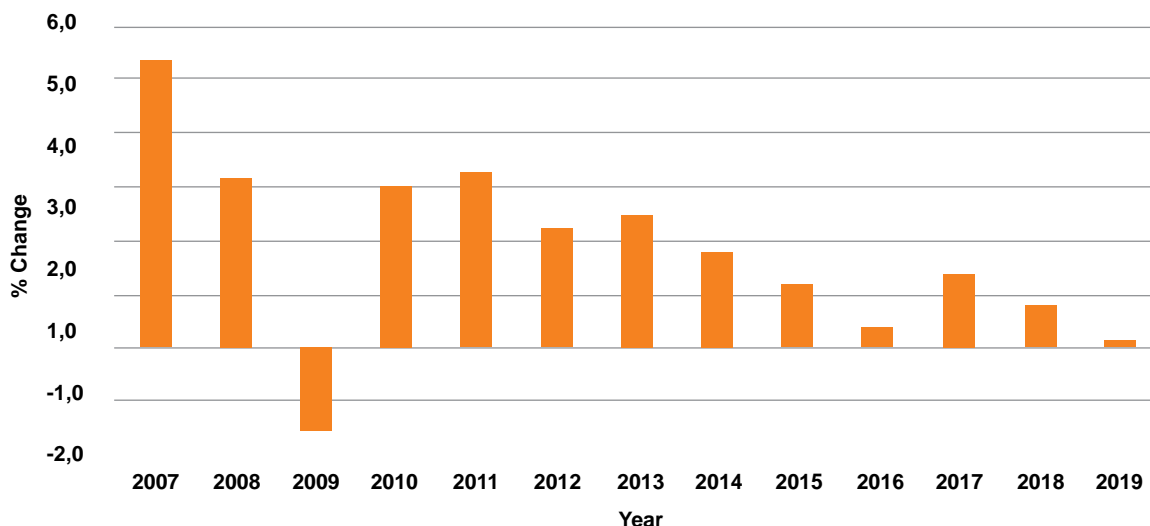
Figure 2: Growth rates of the world's real GDP (%) at constant prices



Domestic Economic Context

The real GDP expanded by only 0.2% in 2019 compared to 0.8% in 2018. Economic activities were disappointing across all broad sectors of the economy. Weak demand, rising input costs, and operational challenges affected output levels in the mining and manufacturing sectors, while prolonged interruptions in energy supply at the start of the first quarter and towards the end of 2019 impacted adversely on these sectors' performances (IDC Economic Overview, 2020). In the agricultural sector, economic activities largely reflect erratic weather conditions in most parts of the country, which adversely impacted the soil moisture levels and the quality of production of major crops.

Figure 3: GDP at market prices (seasonally adjusted annualised percentage change at constant 2010 prices)



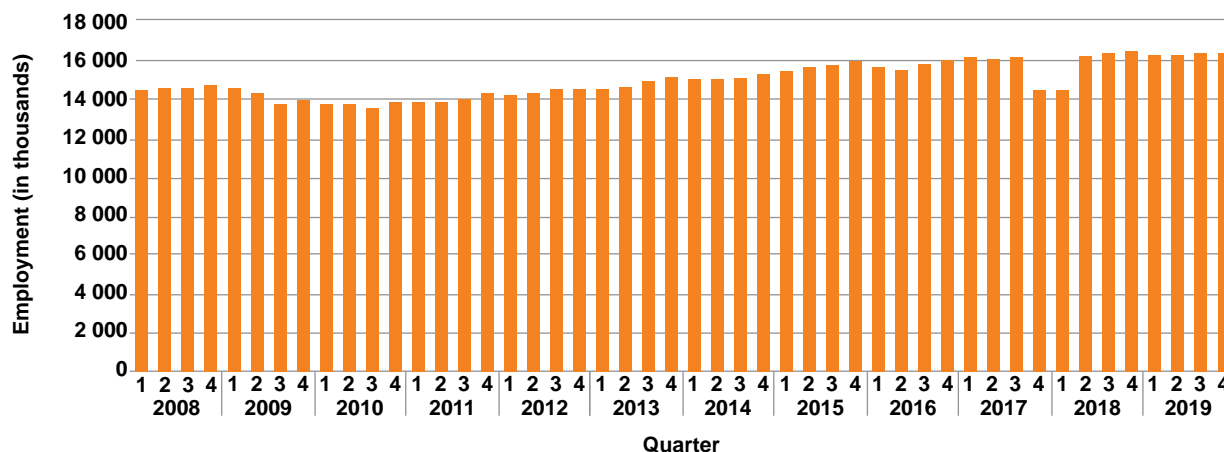
Source: Data-Stats SA

Employment

Total employment at the end of the fourth quarter of 2019 was 16,4 million, representing an increase of 45 000 new jobs created. At the sectoral level, the number of employed persons increased in six of the 10 industries, with the largest increase recorded in Community and Social Services (113 000), followed by Finance (76 000) and Transport (36 000). Declines in employment were recorded in the Trade (159 000), Manufacturing (39 000) and Utilities (14 000) industries, while private households remained constant.

The economy's inability to provide jobs for all new entrants into the labour market has resulted in a substantial rise in the number of unemployed people. By the end of the fourth quarter of 2019, more than 6,7 million people were jobless, an increase of 587 000 compared to 2018. The unemployment rate remains at 29.1% in the fourth quarter of 2019, unchanged from the all-time high recorded in the previous quarter.

Figure 4: Total employment: QLFS



Source: Data-Stats SA

Trade Performance

The global trade in goods and services slowed sharply from 4% in 2018 to an estimated 1.4% in 2019, by far the weakest pace since the global financial crisis (World Bank Economic Prospect, February, 2020). The contraction in trade largely stems from a variety of factors including weakening demand in Europe and Asia, in particular for trade-intensive automobiles and technology products; and the slowdown in investment growth. In addition, the protectionist measures implemented by G20 countries since 2018 have affected an estimated \$1 trillion worth of trade flows, or nearly 7% of the global goods trade (World Trade Organisation, October 2019 press release).

Trade tensions between the US and China escalated throughout most of 2019, and new tariffs were implemented on the majority of their bilateral trade. These tensions and the ensuing increase in policy uncertainty have resulted in sizable aggregate losses for the world trade. However, they had a positive impact on some EMDEs through trade diversion, but this impact has been relatively small.

Implications for Domestic Trade

South Africa's trade policy is highly aligned and integrated into the global trading system with major trading partners such as the European Union (EU), in particular Britain, the US and China. In 2019, South Africa managed to mitigate some of the impact of global trade risks. The new trade pact was signed to mitigate the potential impact of the no-deal Brexit. South Africa, along with five other countries in the Southern African region, concluded a new Economic Partnership Agreement with the United Kingdom (UK). The new agreement will govern the bilateral trading relationship between each of the SACU member countries (South Africa, Lesotho, Eswatini, Namibia, Botswana) and Mozambique in the event that the UK leaves the EU without an agreement or what is called a no-deal Brexit.

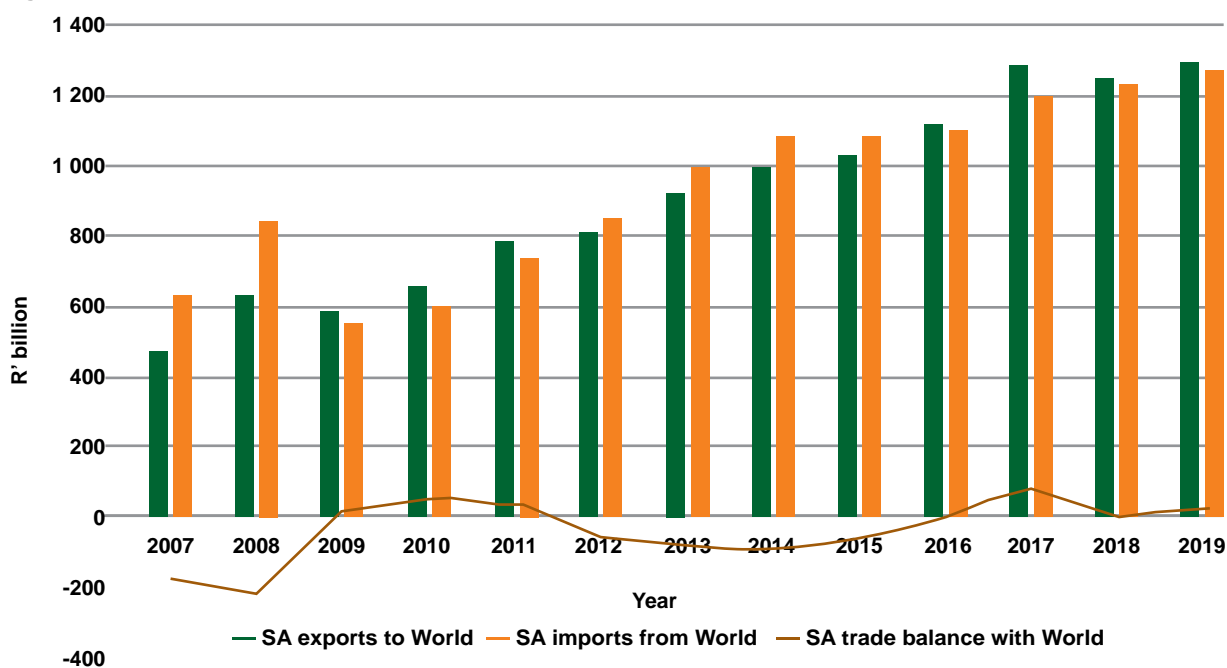
South Africa's trade with the world

South Africa's trade surplus with the rest of the world increased by R9 billion in 2019 to reach R24 billion, from R15 billion recorded in 2018. The trade surplus was mainly due to an increase in the value of mining exports to China (including gold). In addition, improved economic prospects in South Africa's five largest African markets (Botswana, Mozambique, Namibia, Zambia and Zimbabwe) in 2019 boosted export sales and strengthened the overall trade balance.

South Africa's Top Five Export Destinations

In 2019, South Africa's exports to China increased by R26 billion to reach R139 billion from R113 billion recorded in 2018. This could be partly attributed to higher international prices of mining-related products. Exports to the US increased from R84 billion in 2018 to reach R89 billion in 2019. Despite the uncertainty regarding Brexit, South Africa's trade with the UK increased by R4 billion to reach R68 billion in 2019, from R64 billion in 2018.

Figure 5: SA Trade with The World from 2007 to 2017



Source: Data & Graph-the-dti

South Africa's Top 10 Export Destinations for Manufactured Products

The existing regional trading arrangements and continued effort by government to diversify and promote intra-African trade is starting to yield results. South Africa's top 10 export destinations for manufactured products in the world are dominated by African countries such as Namibia, Botswana, Zambia and Zimbabwe. South Africa's exports to Africa are highly concentrated in the SADC Members States due to the SADC free trade agreement. Germany and the US remain key manufactured export destinations. In large measure, this is due to the preferential trading arrangements under the SADC-EU Economic Partnership Agreement (EPA) in the case of Germany, and the non-reciprocal tariff references provided by the US under the African Growth and Opportunity Act (AGOA).

Figure 6: South Africa's top five export destinations from 2007-2019

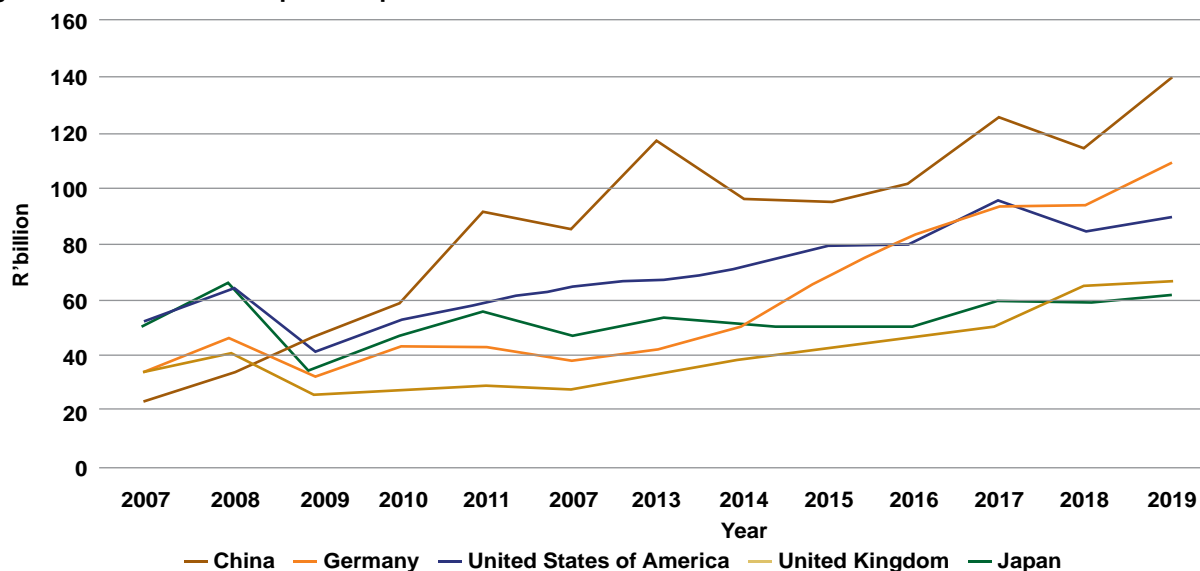
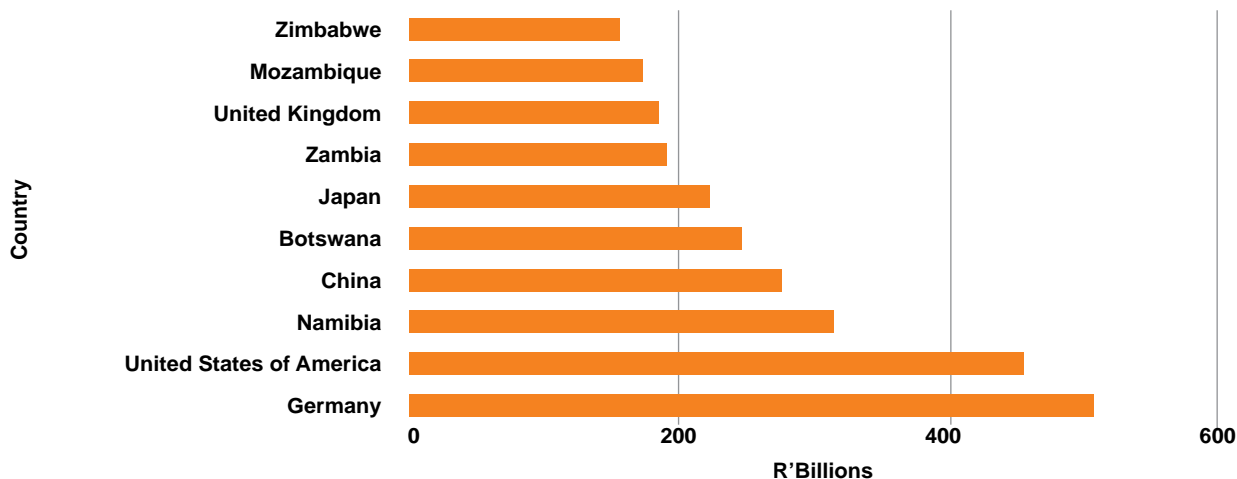


Figure 7: Top 10 Export destinations for South Africa's manufactured goods from 2017-2019



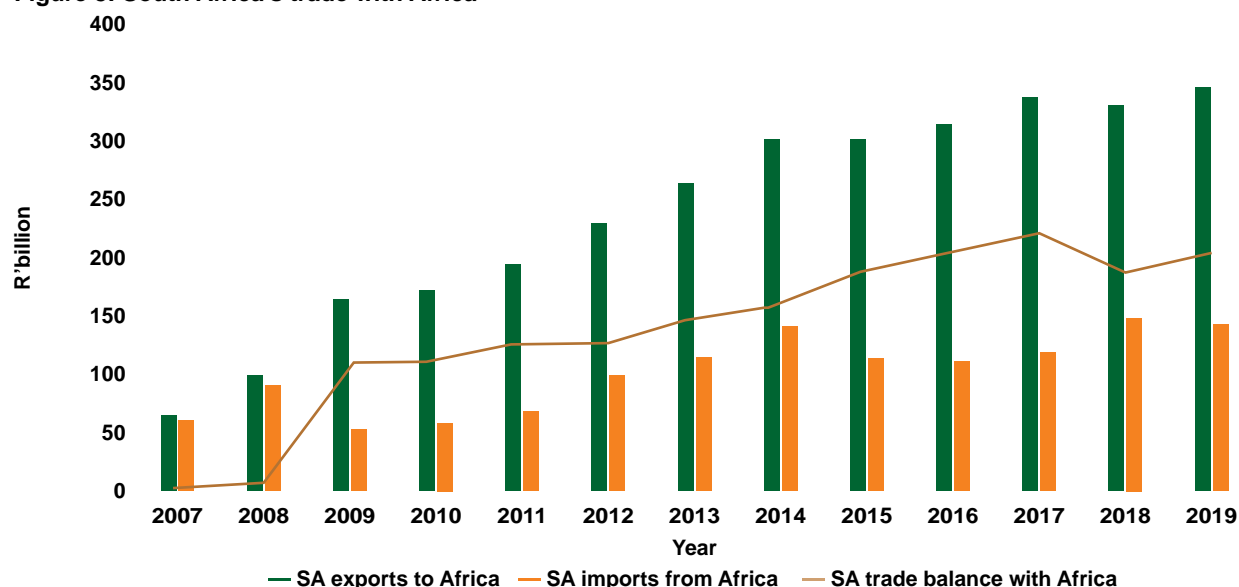
South Africa's Trade with Africa

South Africa is leveraging on the existing regional trade and various bilateral agreements to expand and diversify its export basket on the continent. As a result, South Africa's trade balance with the rest of Africa is positive. The overall trade surplus increased by R19 billion in 2019 to reach R202 billion, from R182 billion recorded in 2018. The positive trade balance with African countries bodes well for South Africa during this period of growing trade wars and uncertainty in key traditional markets such as the US and Britain.

The SADC appears to be the most significant trading bloc for South Africa for both exports and imports. The region alone accounts for more than 70% of all South Africa's exports to Africa. Key markets in the SADC are Botswana, Namibia, Mozambique, Zambia, and Zimbabwe. The weak trade balance with the rest of the continent (non-SADC states) is a major concern for the government. The trade prospects are expected to improve gradually in the medium to long term on the back of initiatives led by government. The interventions include:

- the approval of the agreement to establish the AfCFTA in December 2019;
- commitment to finalise its tariff liberalisation commitment by the end of 2020, including rules of origin which set out what qualifies as a locally-manufactured product;
- masterplans for key industries to be developed and implemented to take advantage of the continental opportunities, including for automotive, and the steel and metal fabrication industry; and
- the establishment of a national committee, comprising representatives from business, labour and government, to develop action plans for the AfCFTA, with the aim of identifying products South Africa could export to other African countries and steps needed to be taken to realise such exports.

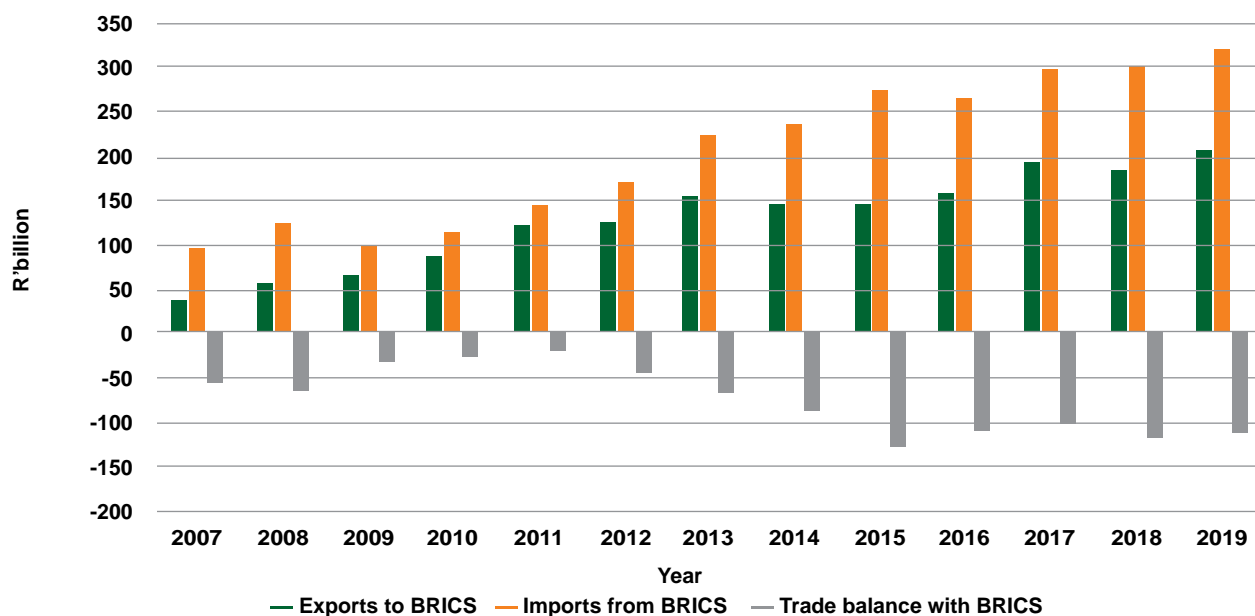
Figure 8: South Africa's trade with Africa



South Africa's Trade with BRICS

The performance of South Africa's trade within the BRICS has not been entirely positive. The increase in imports, in particular manufactured imports, remains three times higher than that of South African exports to BRICS on average. This disparity is reflected in the country's trade balance, which has been consistently negative. South Africa's large trade with China overwhelmingly accounts for the negative trade balance with the BRIC countries. In 2019, South Africa's imports from the BRICS reached a record high of R322 billion, from R304 billion in 2018. South Africa's exports to the BRICS are predominantly un-beneficiated minerals.

Figure 9: SA trade with BRICS from 2007-2019



7. STRATEGIC OVERVIEW

7.1 Vision

A dynamic industrial, globally competitive South African economy, characterised by inclusive growth and development, decent employment and equity, built on the full potential of all citizens.

7.2 Mission

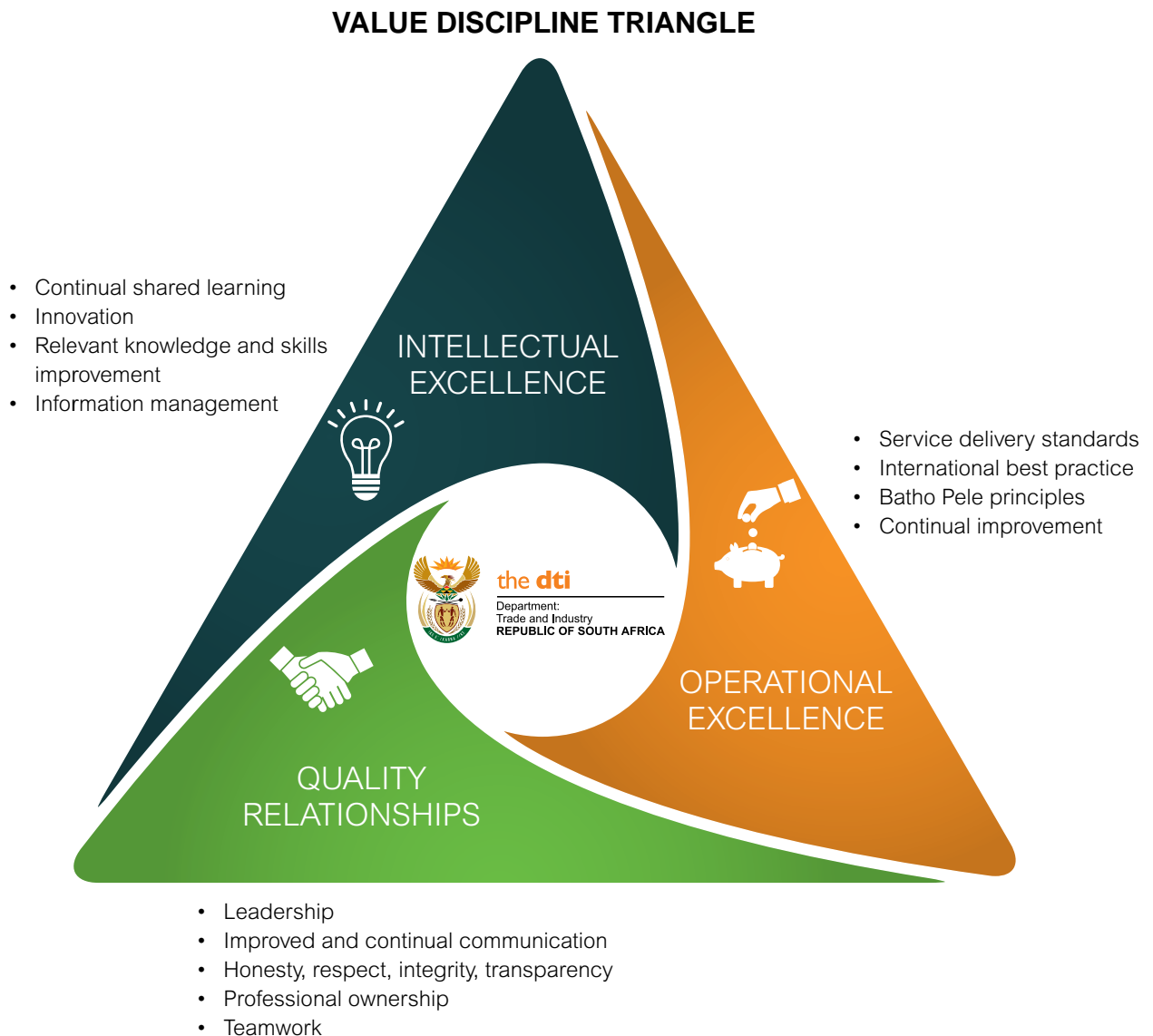
the dti's Mission is to:

- promote structural transformation towards a dynamic industrial and globally competitive economy;
- provide a predictable, competitive, equitable, and socially responsible environment, conducive to investment, trade, and enterprise development;
- broaden participation in the economy to strengthen economic development; and
- continually improve the skills and capabilities of **the dti** to effectively deliver on its mandate and respond to the needs of South Africa's economic citizens.

7.3 Values

the dti Values are:

- Operational Excellence – service delivery standards, international best practice, Batho Pele principles, continuous improvement and ethical conduct
- Intellectual Excellence – continuous shared learning, innovation, relevant knowledge and skills improvement and knowledge management
- Quality Relationships – improved and continuous communication, honesty, respect, integrity, transparency, professionalism, ownership, leadership and teamwork



8. LEGISLATIVE AND OTHER MANDATES

the dti's work is governed by a broad legislative framework, as outlined below:

Act	Purpose
Abolition of the Fuel Research Institute and Coal Act, 1983 (Act No. 30 of 1983)	Repeal the Fuel Research Institute and Coal Act, 1963 (Act No. 35 of 1963) and provide for the vesting of the assets and liabilities, and the transfer of the employees of the Fuel Research Institute in and to the Council for Scientific and Industrial Research (CSIR).
Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006)	Provide for an internationally-recognised and effective accreditation and monitoring system for South Africa by establishing the South African National Accreditation System (SANAS) as a juristic person; to recognise SANAS as the only accreditation body in South Africa for the accreditation of conformity assessment and calibration, as well as the monitoring of good laboratory practice (GLP).
Alienation of Land Act, 1981 (Act No. 68 of 1981)	Regulate the alienation of land in certain circumstances and provide for matters connected therewith.
Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	Establish a legislative framework for the promotion of black economic empowerment (BEE), empower the Minister to issue codes of good practice and publish transformation charters, establish the B-BBEE Advisory Council and provide for matters connected therewith.
Companies Act, 2008 (Act No. 71 of 2008) as amended	Provide a new legislative framework for the incorporation, registration and management of companies; establish a Companies and Intellectual Property Commission (CIPC) and National Consumer Tribunal (NCT); and provide for matters connected therewith.
Consumer Protection Act, 2008 (Act No. 68 of 2008)	Promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose to establish national norms and standards relating to consumer protection; provide for improved standards of consumer information; prohibit certain unfair marketing and business practices; promote responsible consumer behaviour; promote a consistent legislative and enforcement framework relating to consumer transactions and agreements; establish the National Consumer Commission (NCC); and repeal certain laws.
Convention on Agency in the International Sale of Goods Act, 1986 (Act No. 4 of 1986)	Provide for the application in South Africa of the Convention on Agency in the International Sale of Goods adopted by the United Nations International Institute for the Unification of Private Law.
Copyright Act, 1978 (Act No. 98 of 1978)	Regulate copyright in respect of, among other things, artistic works, dramatic works, computer programs, and musical and literary works.
Counterfeit Goods Act, 1997 (Act No. 37 of 1997)	Strengthen prohibitions on trade in counterfeit goods; confer powers on inspectors and the police to enter and search premises, with and without a warrant; and confer powers on customs and excise to seize and detain suspected counterfeit goods.
Designs Act, 1993 (Act No. 195 of 1993)	Consolidate the law relating to designs, provide for the registration of designs, and delineate the rights pertaining thereto.
Export Credit and Foreign Investments Insurance Act, 1957 (Act No. 78 of 1957)	Establish the Export Credit Insurance Corporation and promote trade with countries outside South Africa by providing for the insurance, on behalf of the South African government, of contracts in connection with export transactions, investments and loans or similar facilities connected with such transactions.
Expropriation (Establishment of Undertakings) Act, 1951 (Act No. 39 of 1951)	Provide for the expropriation of land and the taking of the right to use land temporarily for or in connection with the objects or undertakings of national importance.
Housing Development Schemes for Retired Persons Act, 1988 (Act No. 65 of 1988)	Regulate the alienation of certain interests in housing development schemes for retired persons, and provide for matters connected therewith.

Act	Purpose
Industrial Development Corporation Act (Act No. 22 of 1940)	Constitute a corporation the object of which shall be to promote the establishment of new industries and industrial undertakings and the development of existing industries and industrial undertakings, and to provide for other incidental matters.
Intellectual Property Laws Rationalisation Act, 1996 (Act No. 107 of 1996)	Provide for the integration of intellectual property (IP) rights subsisting in the former homelands (Transkei, Bophuthatswana, Venda and Ciskei) into the national system; extend South African IP rights legislation throughout South Africa; and repeal certain IP laws.
Legal Metrology Act, 2014 (Act No. 9 of 2014)	Provide for the administration and maintenance of legal metrology technical regulations to promote fair trade and protect public health and safety and the environment, and provide for matters connected therewith.
Liquor Act, 2003 (Act No. 59 of 2003)	Establish national norms and standards to maintain economic unity within the liquor industry, provide for essential national standards and minimum standards required for the rendering of services, provide for measures to promote cooperative governance in the area of liquor regulation, and provide for matters connected therewith.
Lotteries Act, 1997 (Act No. 57 of 1997) as amended	Establish the National Lotteries Commission (NLC), and regulate and prohibit lotteries and sports pools.
Manufacturing Development Act, 1993 (Act No. 187 of 1993)	Establish the Manufacturing Development Board, provide for the establishment of programmes for manufacturing development, and provide for matters incidental thereto.
Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)	Provide for the use of the measurement units of the International System of Units; provide for the designation, keeping and maintenance of national measurement units and standards; provide for the establishment and functions of the National Metrology Institute of South Africa (NMISA); and provide for the repeal of certain laws.
Merchandise Marks Act, 1941 (Act No. 17 of 1941)	Make provision concerning the marking of merchandise and of coverings in or with which merchandise is sold, and the use of certain words and emblems in connection with business.
National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977)	Provide for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards.
National Credit Act, 2005 (Act No. 34 of 2005) as amended	Establish the National Credit Regulator (NCR) and CT, and promote a fair and non-discriminatory marketplace for access to consumer credit; and, for that purpose, provide for the general regulation of consumer credit and improved standards of consumer information.
National Empowerment Fund Act, 1998 (Act No. 105 of 1998)	Establish a trust for the promotion and facilitation of ownership of income-generating assets by historically disadvantaged persons; set out the objects of the trust; provide for the powers, appointment and mode of operation of the trustees; provide for the establishment of other investment entities for the attainment of the objects; provide for the powers of the Minister to give implementation directives; provide for the sale of shares in state-owned commercial enterprises at a discount to the trust or by the trust to the beneficiaries; provide for the control of the financial affairs of the trust; provide for the establishment of an investment holding company by the trust; provide for the promulgation of regulations; provide for the dissolution of the trust; and provide for other incidental matters.

Act	Purpose
National Gambling Act, 2004 (Act No. 7 of 2004)	Provide for the coordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering; provide for the continued regulation of those matters, and, for that purpose, establish certain uniform norms and standards applicable to national and provincial regulation and the licencing of certain gambling activities; provide for the creation of additional uniform norms and standards applicable throughout South Africa; retain the National Gambling Board; establish the National Gambling Policy Council; repeal the National Gambling Act, 1996 (Act No. 33 of 1996); and provide for matters incidental thereto.
National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	Provide for the administration and maintenance of compulsory specifications in the interest of public safety, health and environmental protection; and provide for the establishment of the National Regulator for Compulsory Specifications (NRCS).
National Supplies Procurement Act, 1970 (Act No. 89 of 1970)	Empower the responsible minister to manufacture, produce, acquire, hire or import goods; acquire, hire or supply services; exercise control over goods and services, and the manufacture, production, processing and treating of goods; and provide for the establishment and administration of a national supplies procurement fund.
Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993)	Provide for control over weapons of mass destruction and establish a council to control and manage matters relating to the proliferation of such weapons in South Africa; determine its objectives and functions; and prescribe the manner in which it is to be managed and controlled.
Patents Act, 1978 (Act No. 57 of 1978) as amended	Provide for the registration and granting of letters, patents for inventions, and for the rights of a patentee.
Performers' Protection Act, 1967 (Act No. 11 of 1967)	Provide for the protection of the rights of performers of literary and artistic works.
Property Time-Sharing Control Act, 1983 (Act No. 75 of 1983)	Regulate the alienation of time-sharing interests pursuant to property time-sharing schemes.
Protection of Businesses Act, 1978 (Act No. 99 of 1978)	Restrict the enforcement in South Africa of certain foreign judgments, orders, directions, arbitration awards and letters of request; and prohibit the furnishing of information relating to businesses in compliance with foreign orders, directions or letters of request.
Protection of Investment Act, 2015 (Act No. 22 of 2015) [Assented to by the President on 15 December 2015 but has not yet commenced]	Provide for the protection of investors and their investments; achieve a balance of rights and obligations that apply to all investors; and provide for matters connected therewith.
Rationalisation of Corporate Laws Act, 1996 (Act No. 45 of 1996)	Provide that certain corporate laws shall apply throughout South Africa; repeal certain corporate laws; and provide for the retrospective incorporation of certain putative close corporations.
Registration of Copyright in Cinematograph Films Act, 1977 (Act No. 62 of 1977)	Provide for the registration of copyright in cinematograph films and for matters connected therewith.
Share Blocks Control Act, 1980 (Act No. 59 of 1980)	Control the operation of share block schemes – any scheme in terms of which a share, in any manner whatsoever, confers a right to or an interest in the use of immovable property.
Space Affairs Act, 1993 (Act No. 84 of 1993)	Provide for the establishment of a council to manage and control certain space affairs in South Africa, determine its objects and functions, and prescribe the manner in which it is to be managed and controlled.
Special Economic Zones Act, 2014 (Act No. 16 of 2014)	Provide for the designation, development and management of SEZs; establish an advisory board and a fund; regulate the issuing, suspension, withdrawal and transfer of permits; and provide for matters connected therewith.

Act	Purpose
Standards Act, 2008 (Act No. 8 of 2008)	Provide for the development, promotion and maintenance of standardisation and quality in connection with commodities and the rendering of related conformity assessment services, and, for that purpose, provide for the continued existence of the South African Bureau of Standards (SABS) as the peak national institution; provide for the repeal of the Standards Act, 1993 (Act No. 29 of 1993); and provide for transitional arrangements.
Sugar Act, 1978 (Act No. 9 of 1978)	Consolidate and amend the laws relating to the sugar industry, and provide for matters incidental thereto.
Temporary Removal of Restrictions on Economic Activities Act, 1986 (Act No. 87 of 1986)	Empower the president to suspend temporarily laws or conditions, limitations or obligations thereunder if their application unduly impedes economic development or competition.
Trade Marks Act, 1993 (Act No. 194 of 1993)	Consolidate the law relating to trademarks; and provide for the registration of trademarks, the certification of trademarks and collective trademarks, and for the protection of rights relating thereto.
Unauthorised Use of Emblems Act, 1961 (Act No. 37 of 1961)	Provide for the continued operation of certain laws relating to the use of certain emblems and representations; and extend the scope of such laws.

9. ORGANISATIONAL STRUCTURE







Council of Trade and Industry Institutions (COTII)





10. ENTITIES REPORTING TO THE MINISTER

The table below indicates the entities that report to the Minister:

Name of public entity	Legislative mandate	Financial relationship	Nature of operations
<p>Companies and Intellectual Property Commission (CIPC)</p> 	Companies Act, 2008 (Act No. 71 of 2008)	Self-funded	<p>The CIPC was established by the Companies Act, 2008 (Act No. 71 of 2008) as a juristic person to function as an organ of state within the public administration, but as an institution outside the public service. The main functions of the commission are the:</p> <ul style="list-style-type: none"> • Registration of companies, cooperatives and IP rights (trademarks, patents, designs and copyright), and the maintenance thereof; • Disclosure of information on its business registers; • Promotion of education and awareness of company and IP law; • Promotion of compliance with relevant legislation; • Efficient and effective enforcement of relevant legislation; • Monitoring compliance with and contraventions of financial reporting standards, and making recommendations thereto to Financial Reporting Standards Council (FRSC); • Licensing of business rescue practitioners; and • Report, research and advise the Minister on matters of national policy relating to company and IP law
<p>Export Credit Insurance Corporation (ECIC)</p> 	Export Credit and Foreign Investments Insurance Act, 1957 (Act No. 78 of 1957)	Transfer payment	<p>The ECIC is established by the Export Credit and Foreign Investment Re-Insurance Amendment Act, 1957 (Act No. 78 of 1957) as amended. It promotes trade with countries outside South Africa by providing for the insurance, on behalf of the government of the Republic, of contracts in connection with export transactions, investments and loans or similar facilities connected with such transaction, and provides for matters connected therewith.</p>
<p>National Consumer Commission (NCC)</p> 	Consumer Protection Act, 2008 (Act No. 68 of 2008)	Transfer payment	<p>The NCC is charged with the responsibility to enforce and carry out the functions assigned to it in terms of the Act, which aims to: promote a fair, accessible and sustainable marketplace for consumer products and services, and for that purpose; establish national norms and standards relating to consumer protection; provide for improved standards of consumer information; prohibit certain unfair marketing and business practices; promote responsible consumer behaviour; and promote a consistent legislation and enforcement framework relating to consumer transactions.</p>
<p>National Consumer Tribunal (NCT)</p> 	National Credit Act, 2005 (Act No. 34 of 2005)	Transfer payment	<p>The NCT adjudicates any application that may be made to it, and makes any order provided for in respect of such an application; or allegations of prohibited conduct by determining whether prohibited conduct has occurred and, if so, by imposing a remedy. It grants orders for costs, and can exercise any other power conferred on it by law. It also reviews decisions made by the National Credit Regulator (NCR), the NCC, and single-member panels of the tribunal. Decisions made by a three-member panel of the tribunal may in turn be taken on appeal or review to the High Court.</p>

Name of public entity	Legislative mandate	Financial relationship	Nature of operations
<p>Companies Tribunal (CT)</p> 	Companies Act, 2008 (Act No. 71 of 2008)	Transfer payment	The CT adjudicates in relation to any application that may be made to it in terms of the Act, and makes any order provided for in the Act in respect of such an application. It also assists in the resolution of disputes as contemplated in Part C of Chapter 7 of the Act; and performs any other function assigned to it by or in terms of the Act, or any law mentioned in Schedule 4.
<p>National Credit Regulator (NCR)</p> 	National Credit Act, 2005 (Act No. 34 of 2005)	Transfer payment	The NCR promotes a fair and non-discriminatory marketplace for access of consumer credit; provides for the general regulation of consumer credit and improved standards of consumer information; promotes black economic empowerment and ownership within the consumer credit industry; promotes responsible credit granting and use; provides for debt reorganisation in cases of over-indebtedness; regulates credit information; and provides for the registration of credit providers, credit bureaus and debt-counselling services.
<p>National Empowerment Fund (NEF)</p> 	National Empowerment Fund Act, 1998 (Act No. 105 of 1998)	Self-funded	The NEF's focus is to promote and facilitate black economic equality and transformation. The NEF provides finance and financial solutions to black business across a range of sectors, and structures accessible retail savings products for black people based on state-owned equity investments. Its mandate and mission is to be government's funding agency in facilitating the implementation of B-BBEE in terms of the BEE Codes of Good Practice.
<p>National Gambling Board (NGB)</p> 	National Gambling Act, 2004 (Act No. 7 of 2004)	Transfer payment	The NGB was established to monitor and investigate when necessary the issuing of national licences by provincial licencing authorities. It establishes and maintains national registers regarding various gambling activities.
<p>National Lotteries Commission (NLC)</p> 	Lotteries Act, 1997 (Act No. 57 of 1997)	Self-funded	The NLC monitors and enforces the implementation of the national lottery. It manages the National Lottery Distribution Trust Fund, which distributes proceeds from its share of the lottery sales to worthy causes.
<p>National Metrology Institute of South Africa (NMISA)</p> 	Measurement Units and Measurement Standards Act, 2006 (Act No. 18 of 2006)	Transfer payment	NMISA is responsible for realising, maintaining and disseminating the International System of Units. It maintains and develops primary scientific standards of physical quantities for South Africa, and compares those standards with other national standards to ensure global measurement equivalence.
<p>National Regulator for Compulsory Specifications (NRCS)</p> 	National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008)	Transfer payment	The NRCS is responsible for the administration and maintenance of compulsory specifications, and the implementation of regulatory and compliance systems for compulsory specifications.

Name of public entity	Legislative mandate	Financial relationship	Nature of operations
South African Bureau of Standards (SABS) 	Standards Act, 2008 (Act No. 8 of 2008)	Transfer payment	The SABS aims to develop, promote and maintain South African national standards; promote quality in connection with commodities, products and services; and render conformity-assessment services and matters connected therewith.
South African National Accreditation System (SANAS) 	Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006)	Transfer payment	The aim of SANAS is to accredit or monitor, for GLP-compliance purposes, organisations that fall within its scope of activity; promote accreditation as a means of facilitating international trade and enhancing South Africa's economic performance and transformation; promote the competence and equivalence of accredited bodies; and promote the competence and equivalence of GLP-compliant facilities.

B

PERFORMANCE INFORMATION



11. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General South Africa (AGSA) performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the heading "Predetermined Objectives" in the legal and regulatory requirements section of the auditor's report.

Refer to page 122 of the Report of the Auditor-General, published as Part E: Financial Information.

12. OVERVIEW OF DEPARTMENTAL PERFORMANCE

In line with the changes and reconfiguration of the executive portfolios and departments ushered in by the 6th Administration, the President of South Africa pronounced the merger of the Department of Trade and Industry (**the dti**) and Economic Development Department (EDD) to form the Department of Trade, Industry and Competition (**the dtic**). Departments were tasked to design organisational structures that promote accountability and synergy through the NMOG process. To give effect to the merger process the Departmental Project Team comprising **the dti** and EDD officials was established. A two-phased approach was adopted, with Phase 1 focusing on the start-up structure bringing the two departments together by transferring both departments' functions and resources to **the dtic**, with the exception of the PICC function. The latter will be transferred to the Department of Public Works and Infrastructure (NDPWI). Phase 2 will involve optimisation of resources through the alignment of the organisational structure, culture and values to fit the purpose of **the dtic**. A robust job rotation programme will also be introduced to deepen the skills and capability at senior management level.

The macro start-up structure of **the dtic** was submitted to the Minister for Public Service and Administration for a determination in terms of section 3(4)(b) of the Public Service Act, 1994 for the transfer of the functions as indicated and concurrence in terms of Public Service Regulation 25(2)(a). Such determination and concurrence have been issued. The matching and placement of staff commenced in consultation with organised labour. The new structure of **the dtic** came into effect on 1 April 2020 and Phase 2 will ensue in the 2020/21 financial year.

Values

The conduct of **the dti** employees is informed by the department's values of Quality Relationships, Operational Excellence and Intellectual Excellence. These values are not only the glue that promotes cohesive teams, but also the bedrock for building a high-performing department that places great emphasis on caring for its employees.

Quality Relationships

The value dimension of Quality Relationships is intended to create a culture and an environment where people are valued and respect for one another and teamwork and ethical conduct is promoted.

Operational Excellence

Operational excellence focuses on service delivery with emphasis on Batho Pele, service delivery standards and continuous improvement. The operational plans of the various divisions in the department are supported by Service Delivery Improvement Plans based on Batho Pele service standards.

Intellectual Excellence

As a knowledge-based department, learning, skills improvement, information management and innovation are critical for the successful delivery of departmental programmes and services.

Information Management

Cyber attack continues to be one of the significant risks that could adversely affect the security of information and continuity of business operations. **the dti** is pleased to report that, as at December 2019, there were no successful cyber attacks even though attempts had been made, indicative of effective general and firewall controls. Availability of key systems averaged 99.76%.

Enabling business through office accommodation

Challenges in the PPP environment persisted and the department is working with all parties to attain an appropriate outcome.

The independent performance audit and benchmarking project was successfully completed and the results were made available to the concessionaire and lender, as was necessary to enhance service delivery.

Lease agreements for the three regional offices are in different phases of renegotiation/extension under the leadership of the NDPWI.

12.1 Service delivery environment, including progress made on the strategic outcome-centred goals

12.1.1 Facilitate transformation of the economy to promote industrial development, investment, competitiveness, and employment creation

the dti designs and implements policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to create decent jobs; and increase value addition and competitiveness in domestic and export markets, underpinned by the objectives of industrial competitiveness and customised sector programmes.

The work of the department was initially underpinned by the deliverables of the Industrial Policy Action Plan (IPAP). The 2019/20 iteration of the IPAP was prepared, but not adopted by Cabinet. In its place, Cabinet approved the Reimagined Industrial Strategy as presented by Minister of Trade and Industry Ebrahim Patel at the Cabinet Lekgotla in June 2019. This strategy set out a review of previous interventions, lessons learnt and the path towards a Reimagined Industrial Policy. The success of the industrial policy is underpinned by ensuring that industry and other stakeholders follow a collaborative approach and sectors are prioritised, and that the policy is central to the growth strategy and coordinated at Presidency.

The modality to operationalise the Reimagined Industrial Policy is the application of a master-planning process that seeks to create a shared vision with industry, government and labour. During the 2019/20 financial year, the department made huge strides in assisting the industry and the following highlights were recorded in the various sectors of the economy.

A number of successes were achieved in the agro-processing sector. The Poultry Masterplan was launched at the President's Investment Conference in November 2019. An investment commitment by the South African Poultry Association (SAPA) to the tune of R1,7 billion was secured to invest in poultry productive capacity. Further trade support for the poultry industry in the form of 62% bone-in chicken portions and 42% boneless portions import tariffs was gazetted on 15 March 2020 to curb poultry imports as per the masterplan agreement.

In support of the sugar industry, Cabinet endorsed the Biofuels Regulatory Framework, which was subsequently gazetted on 7 February 2020 and incorporates sugarcane as a key feedstock. The sugar industry committed to a R1-billion five-year transformation plan, which is currently being implemented. SAPPI, Mondi and York Timbers announced an investment of over R16 billion at the 2019 Investment Conference towards the development of the paper and timber industries.

In addition, through the support of Proudly South Africa, Darling Sweet opened its doors in mainstream retail, including at major Spars around the country, the Thrupps shopping centre in Illovo, Johannesburg, and various other retail outlets. The company employs 22 permanent employees, has a network of agents and distributors around the country, and produces toffees, caramel and caramel spreads in 15 flavours. Makhamisa Foods, a condiments manufacturer that specialises in hot and cold-processed sauces and vegetable pickles, is another example of a local success story. It has created a local sustainable value chain by sourcing 95% of its raw materials and 90% of its plant machinery locally. It also has a mandate to employ mainly youth. Through this company, 26 direct and 59 indirect jobs were created, with 80% of its workforce and 60% of its management being youth.

The automotive sector also demonstrated significant success achieved through the implementation of the Automotive Masterplan. The Executive Oversight Committee (EOC) responsible for monitoring the implementation of the South African Automotive Masterplan was formed and the initial meeting took place in December 2019. In addition, the Automotive Industry Transformation Fund was officially announced in November 2019. The key aim of the fund will be to seed, develop and grow black-owned companies within the automotive supply chain. It can be expected to be fully operational from 2021. Moreover, the National Association of Automotive Component and Allied Manufacturers (NAACAM) hosted the inaugural Black Supplier Day at BMW SA, where 18 black suppliers exhibited. The Atlantis Foundries won the sustainability award for Greenfield Investment at the Presidential Investment Conference. Additional success was demonstrated through the component companies, which made a R2,4 billion commitment at the Investment Conference. Companies such as Shatterprufe, Auto Industrial and KAP Automotive improved their empowerment levels to reach level 4 B-BBEE or better. It can also be noted that a few suppliers such as Naickers Toolmakers and Enermous completed an ASCCI Black Supplier Development Programme and managed to secure business from existing Tier 1 companies. Additionally, a three-year wage agreement (9%, 8.5% and 8.5%) with the National Union of Metalworkers of South Africa (NUMSA) was concluded without any disruption. Notwithstanding a 2.8% decline in domestic sales, exports achieved a record 386 863 units in 2019, up from 351 139 units the previous year. Vehicle production reached a decade high of 631 983 units in 2019. Moreover, component exports at R53,7 billion during 2019 showed an improvement of R2,4 billion from the previous year, an almost 5% improvement. Investments by Original Equipment Manufacturers (OEM) stood at R7,3 billion for the year 2019.

In the cosmetic sector, Procter & Gamble Company (P&G) invested R300 million, which added capability to locally manufacture Always sanitary pads, expanded the production of Pampers diapers and created 300 additional jobs. In addition, P&G made South Africa its operational hub for the Southern Africa region and is now well positioned to be an export hub for the African continent.

Remarkable success was achieved in the plastics sector when the Volkswagen Group South Africa invested R70,9 million in the development of black-owned component suppliers. One of the funded companies produces plastic automotive components. In addition, a new high-density polyethylene (HDPE) fuel-tank manufacturing production for Mercedes-Benz has been secured to supply tanks for the W206 Model (new C-Class). The facility is well positioned to meet stringent global automotive standards, thereby replacing imports. Through this partnership, two distinct export opportunities have been created: Potential exports of the chemical input material (high-density polyethylene) and locally produced fuel tanks.

The pharmaceutical sector acknowledged the role played by Biovac (a local manufacturer of vaccines), which was awarded 85% of the three-year tender of the expanded programme on immunisation, a transversal health contract of the Department of Health. This will sustain the 318 specialised jobs in the manufacturing facility in Cape Town, preserve the technology transfer received from pharmaceutical multinational companies (Sanofi Pasteur and Pfizer) and maintain local production of vaccines. In addition, in the transition of HIV treatment, local manufacturers were able to access technology to locally manufacture the TLD (the new treatment) and started to supply the health system. Less API is needed for this treatment and therefore the cost of production should be reduced over time. An additional achievement is that Medtex established a new R50-million local manufacturing plant of latex and nitrile (non-latex) gloves in Gauteng. The plant has the capacity to produce 18-million gloves per month.

Primary minerals processing and construction achieved success when Komatsu SA invested R300 million in an engine remanufacturing plant in Rietondale. The plant is part of Komatsu's industrial campus in South Africa that serves more than as the central hub from which the company manages its operational footprint across Southern Africa through the supply of mining and construction equipment. The industrial campus also consists of a technical centre which provided training to over 2 300 people over the last three years, as well as a distribution centre that moves parts into Southern Africa. Komatsu employs 1 250 people across Southern Africa. In addition, the construction of the first fuel-cell manufacturing facility in South Africa at Dube Trade Port presented opportunities for platinum beneficiation, as well as new, growing green industries. Vodacom already deployed 300 of its fuel-cells, with the potential for an additional R1 billion contract with the telecoms (Vodacom, MTN) sector. A notable achievement was the export tax on scrap metals announced by Minister of Finance Tito Mboweni during the 2020 Budget Speech. The implementation modalities are being finalised. National Treasury initiated industry consultation processes, which will ultimately result in the publication of the Taxation Laws Amendment Bills towards the end of 2020. In the interim, the price reference system is extended to December 2020 to ensure access to competitively priced and quality scrap metals for domestic beneficiation.

In terms of metals fabrication, additional trade support was provided to the steel downstream industries: tariffs increased to the maximum bound rates allowed; trade remedies; deployment of rebates where products are not manufactured or additional value added before export. The SARS price reference system was developed for steel products to address low-priced imports and an interagency working group was established to tackle illegal trade. Furthermore, the Steel Competitiveness Fund criteria and lending rates were amended to improve accessibility of the fund to the industry as well as reduce the cost of lending for small and medium companies.

The electro-technical sector recorded significant success when the Defy Top Loader washing machine investment of R100 million was launched by the former minister on 23 April 2019. This created 100 additional jobs. In addition, on 18 July 2019, the Minister launched the expansion of Aberdare's Port Elizabeth plant for high voltage cables. Phase 1 comprised a R30 million investment and 25 jobs, and phase 2 R100 million and 15 additional jobs. Designation of electrical cables with 90% local content requirements was the anchor for this investment.

With regards to industrial procurement, four circulars for new products, one amendment as well as guidelines for the use of 8.4 provisions (i.e. self designation) were signed-off by the Minister of Finance. This further strengthens the use of public procurement as a key lever of industrial policy (i.e. new: MV switchgears, plastic pipes and fittings, lead acid batteries and bulk material handling equipment and amendments were effected onto conveyance pipes designation prohibiting the procurement of ductile pipes that are currently all imported). At the end of 2019/20, accumulatively 27 products/sectors were designated under the PPPFA.

The success of the textiles, clothing, leather and footwear sector was quite prominent through the launching of the Retail-Clothing, Textile, Leather and Footwear Masterplan at the President's Investment Conference with about R7-billion worth of investment committed to the industry. The first EOC took place to fasttrack the implementation of the masterplan.



12.1.2 Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives

the dti is responsible for, among other things, promoting exports and inward investment to leverage global markets and growth for South Africa's economic and industrial development. As part of this effort, **the dti** manages and leads the government's engagement in trade negotiations and agreements at bilateral, regional and multilateral levels. These engagements cover trade in goods, services, intellectual property rights (IPRs) and investment.

While engagements are aimed at strengthening trade and investment with traditional, developed country trading partners, recent shifts in the global economy required greater attention to trade and investment with dynamic and faster-growing emerging developing countries. **the dti** prioritised an African development agenda underpinned by regional and continental integration in line with the AU's Agenda 2063 for structural transformation. **the dti** also actively participated in the work of the WTO on the basis of an agenda that aims to build a more equitable and inclusive multilateral trading system that facilitates development.

Africa's economic integration agenda is South Africa's overriding priority. **the dti** has worked to build integration projects in SACU, SADC, the Tripartite Free Trade Agreement (TFTA) and now the AfCFTA. The department takes a development integration approach that means extending free trade areas (FTAs), in tandem with programmes to promote continental industrial and infrastructure development. Larger regional markets can foster regional value chains, encourage African industrialisation efforts while promoting intra-African trade and contribute to Africa's industrialisation and job-creation objectives. With more than a quarter of South African exports destined for the continent, mainly in higher value-added products, a growing and prosperous Africa will support South Africa's growth and development.

Global Trade

South Africa continues to implement a developmental trade policy that ensures that tariffs are instruments for industrial development.

Over the period 2012 to 2019, the share of manufactured exports in South Africa's total exports moved very little from 54.3% to 55.3%. This, however, hides the fact that during the height of the resources price slump, manufactured exports reached a share of 45.6%. Nevertheless, the value of manufactured exports shows a steady increase over this period, from R443,3 billion to R716,7 billion.

South Africa's major export destinations are the rest of the African continent, the EU and China, together accounting for almost 62% of South Africa's total merchandise exports. The African market was the destination for 26.5% of South Africa's exports in 2019. As individual countries, China, Germany and the US top the list of export destinations, accounting for 26% of South Africa's exports.

Of South Africa's total manufactured exports, amounting to R716,7 billion in 2019, the most important destinations were, by rank, Germany, Botswana, Namibia, the US, Belgium and China. The African continent accounted for 40.1% of these exports.

The manufactured content in the export baskets to various destinations vary considerably. In 2019, South Africa's exports basket to the rest of the African continent as a whole contained 83.5% manufactured products. In the case of the EU, the US and China, these shares were 65.8%, 50.5% and 22.2% respectively. This data uses the Standard Industrial Classification (SIC) system, which classifies all economic activity by four-digit codes. "Manufacturing" includes the physical or chemical transformation of materials, substances or components into new products. The materials, substances or components transformed are raw materials that are products of agriculture, forestry, fishing, mining or quarrying as well as products of other manufacturing activities. Substantial alteration, renovation or reconstruction of goods is generally considered to be manufacturing. Broadly speaking, therefore, "manufacturing" includes agro-processing and mining/resource-based manufacturing, but excludes primary agriculture, forestry and fisheries, as well as primary mining products.

African Continental Free Trade Area (AfCFTA)

The AU launched the AfCFTA negotiations on 15 June 2015. The AfCFTA comprises 55 African countries. Once operational, it will facilitate trade in goods and services across the continent and encourage investment. The envisaged AfCFTA is expected to build an integrated market in Africa that will see a market of more than one-billion people and a GDP of approximately US\$3,3 trillion.

Following the adoption of the legal instruments establishing the AfCFTA by AU heads of state and government on 21 March 2018, the operational phase requires conclusion of negotiations on tariff offers, of which rules of origin are integral. Parallel negotiations on service commitments must also be concluded. In the next phase, AU members have agreed to work on protocols covering investment, competition and IPRs.

Tripartite Free Trade Agreement (TFTA)

The Common Market of East and Southern Africa (COMESA), East African Community (EAC) and SADC TFTA has been a building block for the AfCFTA. Significant progress was made beyond the adoption of the legal framework to operationalise the free trade area. Tariff negotiations commenced between the parties, as part of the built-in agenda. The key bilateral tariff reduction negotiations for South Africa are those with the EAC as well as with Egypt. Tariff negotiations with the EAC were concluded, while those with Egypt are ongoing. Negotiations on the rules of origin are under way.

South Africa has ratified the TFTA and deposited its instrument of ratification in December 2018. The agreement requires 14 ratifications to enter into force. To date, eight member states have ratified the agreement.

Southern Africa Development Community (SADC)

The consolidation of the SADC Free Trade Area continued to be the major area of focus for **the dti**. The department continues to engage within the SADC and through bilateral engagements on outstanding commitments in the implementation of the FTA. In relation to trade in services, negotiations were concluded on four sectors, namely: communication, tourism, transport and financial services. Negotiations continued in the area of energy-related services and construction. The operationalisation of the SADC Industrialisation Strategy gained momentum with the selection of priorities for value chain development, which would be the basis for collaboration among member states.

Southern African Custom Union (SACU)

As part of the SACU, South Africa's external negotiations on trade in goods requires common positions with SACU members to preserve the common external tariff on which the union is based. While efforts to reform the arrangement along more developmental integration lines have not been successful, SACU continues to work on common tariff offers and rules of origin for external engagements.

World Trade Organisation (WTO)

For many developing countries, including South Africa, the core objective is to ensure that the development interests of developing countries remain at the centre of the work programme. **the dti** has worked with like-minded members, including Africa, to rebalance existing WTO agreements that prejudice our trade and development interests. **the dti** has opposed proposals that would further narrow our development policy space, including digital trade and e-commerce. With others, **the dti** advocated its commitment to consensus decision-making in response to proposals to advance plurilateral agreements in the WTO that would fragment the trading system.

BREXIT

In light of the UK's notice to exit the EU, SACU and Mozambique negotiated and concluded the UK-SACUM Economic Partnership Agreement on 9 September 2019 to ensure there is no trade disruption between the UK and the region. The agreement entered into force when the UK officially exited the EU on 31 January 2020, but the EU SADC Economic

Partnership Agreement will cease to apply to the UK on 31 December 2020. The UK is South Africa's second largest trading partner in the EU, an important destination for South African agricultural exports and a source of considerable investment.

G20

While the G20 is a forum for enhancing dialogue and cooperation among its members, trade is usually strongly contested in the Trade and Investment Working Group (TWIG). The primary reason is that G20 outcomes on trade are used as a springboard to advance issues in the WTO towards multilateral rule-making and legal obligations on all WTO members.

South Africa approaches its engagement in the G20 trade discussions on the basis of an understanding that outcomes must support South Africa and Africa's overriding priority objectives for industrialisation and integration. Africa has defined an agenda to shift away from an unsustainable growth path based on exports of primary products and imports of higher value-added products. We need to add value to our raw materials, industrialise and diversify our economies to secure a more prosperous future for our people and contribute to the global economy more decisively. We ensure through our engagement in multilateral forums, including the G20, that these objectives are supported or at least not undermined by multilateral outcomes.

The objective of South Africa's participation is to ensure that our positions are reflected in the outcomes from the Taskforce on the Digital Economy (DETF), TIWG and Trade Ministers Meetings (TMM), as these are the key G20 structures that deal with digital economy and trade issues. These structures have a significant impact on the global narrative and development of the digital economy and international trade. The outcomes from the G20 are strong signalling mechanisms that impact on global policy. It is therefore extremely important that South Africa participates in the work of the G20 and ensures that its views are contained in the outcomes.

BRICS

South Africa attaches great importance to BRICS as a forum for dialogue and cooperation on matters of common interest. BRICS provides a platform for cooperation to build trade and investment flows, including a focus on more balanced trade of higher value products. Bilateral relations among BRICS nations have mainly been conducted on the basis of non-interference, equality and mutual benefit.

From an economic and trade perspective, South Africa's participation in the BRICS seeks to:

- advance developmental outcomes;
- promote inclusive economic growth;
- promote value-added trade among BRICS countries and investment into the productive sectors; and
- preserve policy space for measures to advance economic and industrial development

In the dialogue on trade and investment in the BRICS, South Africa aims to influence the agenda and direction towards practical cooperation and mutual benefit, rather than seeking agreement on matters that could prejudice our negotiating positions at the WTO.

South Africa's participation in the discussions of the CGETI and BRICS TMM enabled its views and positions to influence the agenda in key BRICS issues, and ensured that these positions would be incorporated into eventual outcomes.

Biovac
awarded **85%**
of a three-year tender of the
expanded programme on
immunisation

Non-Proliferation

In the non-proliferation arena, **the dti**, through the South African Council for the Non-Proliferation of Weapons of Mass Destruction (the Council), the State's statutory body appointed to implement all international non-proliferation obligations, has endeavoured to ensure compliance with the international conventions, treaties and regimes to promote South Africa's image as a responsible and reliable producer, possessor, trader, and recipient of sensitive goods and technologies, thereby facilitating trade.

The Council effectively fulfilled its mandate to control the non-proliferation of weapons of mass destruction through the implementation of the Non-Proliferation Act and government policy on non-proliferation. The Council, through the Non-Proliferation Secretariat, achieved its objective of controlling, registering and inspecting controlled goods and verified the manufacture, import, export, re-export, transit (including trans-shipment) and end use of controlled goods. The Council has also engaged with other stakeholders to protect the interests, carry out the responsibilities and fulfil the obligations of South Africa with regard to the non-proliferation of weapons of mass destruction. This was achieved through cooperation with specialised entities, Council committees, and outreach to industry. The Council was also instrumental in assisting with the certification of the radionuclide laboratory at the South African Nuclear Energy Corporation (Necsa) as part of the International Monitoring System of the Comprehensive Nuclear Test Ban Treaty. **the dti** increased South Africa's exporter based and promoted trade by developing a sustainable long-term competitive market positioning and international profile for the country.

the dti increased South Africa's exporter base and promoted trade by developing a sustainable long-term competitive market positioning and international profile for the country. **the dti** leveraged market opportunities to benefit South Africa's economic development priorities. The mandate of promoting the exports of value-added goods and services was executed within the guidelines of the IPAP prioritised sectors.

In doing so, **the dti** organised and managed different trade initiatives in the form of pavilions, outward and inward trade, and investment missions. These initiatives were both sector specific, namely agro-processing, aerospace and defence, automotives, capital equipment, oil and gas, metals, mining and multisectoral.

During the 2019/20 financial year, the department did not achieve two of its deliverables due to COVID-19 pandemic, however, over the past years **the dti** facilitated R21,3 billion of export sales by attending, organising and participating in various trade exhibitions and missions. These huge export sales were achieved by assisting over 4 300 companies and through the Export Marketing and Investment Assistance (EMIA) scheme.

the dti intensified efforts towards building an export culture, capacity and engagement with export stakeholders as part of the implementation of the National Exporter Development Programme (NEDP). In building an export culture, the directorate explored new mechanisms of engagement with existing and potential new exporters. In this regard, the emphasis was on the development of a programme for emerging exporters, which included market access and mentorship.

In an attempt to increase the exporter base, **the dti** organised more than 100 export awareness workshops throughout the country in collaboration with the Provincial Trade Agencies (PTA). These workshops were attended by over 3 000 company representatives from mainly SMEs. Furthermore, more than 3 500 companies were trained in different phases of NEDP.

President Ramaphosa announced the hosting of the second South Africa Investment Conference during the State of the Nation Address (SONA) in 2019. The conference is a key milestone in South Africa's ambition to raise at least \$100 billion in new domestic and international investment over a five-year period. Domestic and foreign delegates attended the conference and companies pledged over R363,241 billion of investments as a contribution to the investment target. In addition to the outcome of the 2018 conference, a total investment amount of R663 687 billion has been pledged/committed to date. The conference serves as one of the channels for targeted engagement between government and business to significantly grow the South African economy.

the dti will now ensure the implementation of these pledges/commitments by:

- adding all pledges to its investment pipeline for further development and project progression;
- engaging with companies to understand potential issues/blockages;
- following-up on post conference pledges/commitments; and
- tracking project implementation to complete the required quarterly reporting.

the dti's contribution to the total investment pipeline for 2019/20 is R219 966 billion.

As part of enhancing its aftercare services, **the dti** facilitated 25 key investor unblocking issues through the One Stop Shop (OSS) services. The unblocking ranged from municipal services and infrastructure support to visa applications/extensions, and licensing, permits incentives and Letters of Authority (LoA)

applications. The successful resolution of these requests accelerated the implementation of key investment projects in the manufacturing, advanced manufacturing, resource-based and services sectors.

President Ramaphosa further pronounced during the SONA that South Africa must endeavour to rank among the top 50 global performers in the World Bank's annual "Ease of Doing Business" survey within the next three years. the dti, together with National Treasury, World Bank Group and other key stakeholders, is working to realise this goal. the dti has established a number of technical working groups to ensure that the measures required are discussed, agreed to and implemented to ensure that the target ranking is within reach.

12.1.3 Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth

The first SEZ National Conference was held in Durban from 3 to 4 April 2019 where the Ministers of Trade and Industry, Small Business Development and Cogta pledged their support for the programme. The expansion of the OR Tambo International Airport (ORTIA) and Dube Trade Port (DTP) SEZs were approved by the SEZ Advisory Board on 7 August 2019. This gave birth to Tshwane Automotive SEZ, which was successfully launched on 5 November 2019. The Cabinet Progress Report on the Implementation of the SEZs in South Africa was developed and presented to the Economic Cluster in April 2019.

the dti embarked on six South Africa SEZ investment attraction roadshows to China's Chengdu Province (4 to 5 September 2019), Adana in Turkey's Ankara Provinces (15 to 25 September 2019), Spain (9 to 12 November 2019), Monaco (12 to 16 November 2019), India (14 to 23 November 2019) and Zimbabwe (25 to 28 November 2019). More than 150 potential investors attended the roadshow in China. A framework agreement for SEZ capacity-building and knowledge-sharing between the dti and the Ministry of Trade in Turkey was agreed to, and still being vetted before signing off. Thirty candidates from the dti, provincial government and SEZs attended the SEZ capacity-building programme in China from 24 October to 17 November 2019.

On 25 and 26 February 2020, the dti hosted the National SEZ Strategy and Policy Symposium in Coega, Eastern Cape.

The 4th Industrial Parks Annual Symposium was held on 28 and 29 November at the Development Bank of Southern Africa (DBSA), and the Industrial Parks Assessment Booklet was launched. Ekandustria and Nkowankowa Industrial Parks were launched on 11 April 2019 and 29 April 2019 respectively. Deputy Minister Nomalungelo Gina launched the development of the first Digital Hub in Isithebe on 31 October. The second Digital Hub site, Botshabelo, was identified and revitalised and will be launched in the next financial year.

To enhance and capacitate the industrial infrastructure development programme, the dti found it necessary and feasible to establish a project management unit (PMU). This unit will assist provinces through the industrial parks and SEZs to plan, develop and manage these zones and parks effectively and efficiently. The unit will provide the necessary technical and industrial infrastructure development support for SEZ and industrial parks to better accelerate industrialisation and attract investment. The Minister and Cabinet approved the establishment of the SEZ National PMU office.

Defence B-BBEE Sector Codes of Good Practice was re-gazetted for implementation on 12 April 2019. The change means that entities in the defence sector will be measured in terms of the Defence Sector Code and not the Generic Codes. The Draft Chartered Accountancy Sector Codes of Good Practice was gazetted for a 60-day public commentary period on 26 April 2019. A total of eight submissions were received and are being analysed for incorporation in the final sector code. Changes to the Amended B-BBEE Codes of Good Practice with a six-month transitional period were gazetted on 31 May 2019. The changes are in Statement 000, Statement 300, Statement 400 and Schedule 1 of the Amended Codes of Good Practice. A total of 152 stakeholder engagements took place in terms of workshops and meetings to advocate on B-BBEE legislation.

The Minister approved the Equity Equivalent Investment Programme (EEIP) for Mediterranean Shipping Company SA for a total investment of R116 million. This will focus on critical skills development and enterprise and supplier development for black beneficiaries. The Minister of Trade and Industry launched the Samsung EEIP on 7 May 2019 for a total investment of R280 million. On 9 July 2019, the Minister approved the Pharma Dynamics EEIP with an investment value of more than R130 million. The Memorandum of Agreement (MOA) for the implementation of the EEIP by Amazon was signed on 8 November 2019. The EEIP Business Plan for the auto companies (BMW, Isuzu, Toyota, Mercedes-Benz, Volkswagen, Nissan, Ford) was approved on 2 December 2019. The collective contribution is R6 billion over the next 10 years. The EEIP Business Plan for French multinational BNP Paribas and US multinational JP Morgan, were approved on 17 February 2020 and 18 March 2020 respectively. The companies' EEIP entail financial support to small enterprises and black-owned enterprises in financial, industrial, health and green sectors.

A total of 96 company registrations were processed through the YES digital portal, 16 505 jobs were created, 192 companies received YES B-BBEE recognition, and 54 105 SMMEs were issued with a CIPC BEE Certificate. The CIPC



BEE platform enables ease of doing business for SMMEs at no cost.

the dti initiated a strategic partnership with Nedbank focusing on both financial and non-financial support within the agro-processing sector. Strategic collaborations with MerSETA were initiated to address the third pillar of the Black Industrialist Programme (BIP) for non-financial support. From 16 to 23 June 2019, the division, in partnership with Sandvik, took five Black Industrialists to Finland to explore mining opportunities. The outcome was that five black-owned companies will be included on the Sandvik procurement database and, through request for quotations, become suppliers to Sandvik.

Approval was granted for the Pick n Pay and Nedbank BIP to assist mini-Black Industrialists who are in the agro-processing space with both financial and non-financial support. This programme will cater for Black Industrialists that are below the current threshold of R30 million. **the dti**, IDC and South African Diamond and Precious Metals Regulator are collaborating to support Black industrialists who are processing diamonds.

12.1.4 Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner

During the 2019/20 financial year, **the dti** focused on the development and processing of the Companies Amendment Bill, which was concluded in the NEDLAC process and will be referred to Cabinet. The Copyright Amendment Bill and Performers' Protection Amendment Bill were passed by Parliament in the previous administration and awaiting the President's signature. The National Credit Amendment the Bill was assented to by the President as an Act of Parliament.

Twenty-seven education and awareness workshops were held in nine provinces with the aim of educating members of the communities on departmental legislation and, where possible, gathering potential policy issues to be considered by **the dti**.

the dti received and processed new applications, renewals, relocations and alterations of manufacturing and distribution of liquor licences to create economic opportunities for new entrants and service the existing registrants. Furthermore, capacity-building sessions were held in various provinces to capacitate the National Liquor Authority (NLA) registrants in the liquor industry. The NLA has conducted pre-inspections and routine inspections to enforce the Liquor Act.

The National Gambling Amendment Bill was revived in the 6th Administration and tabled at the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism and Employment and Labour. The provincial briefings took place and provinces are to conclude the provincial final mandates on the Bill.

The Intellectual Property Laws Amendment Act of 2013 was prepared for implementation. **the dti** and the Department of Science and Innovation presented the Act to the Portfolio Committee on Trade and Industry and a way forward was charted for an action plan to be coordinated between the two departments to implement indigenous knowledge laws in South Africa. The roles of the two departments were clarified and both departments' legislation will be implemented. The regulations will be developed and task teams established to carry the work forward.

The department completed the Socio-Economic Impact Assessment study on the National Credit Amendment Bill

conducted by an independent consulting company. The study was presented at the portfolio committee, highlighting the implications of the Bill on the costs, credit industry, consumers and the economy.

The research forum was held on the Public Interest (PI) Score in terms of the Companies Act. The forum generated insights into how the PI Score could be better computed for purposes of easing the regulation of affected companies.

12.1.5 Promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery.

the dti Values

the dti Values inform the conduct of our employees in terms of Quality Relationships, Operational Excellence and Intellectual Excellence. These values are not only the glue that promotes cohesive teams, but also the bedrock for building a high-performing department that places emphasis on caring for its employees and renders enhanced services ethically.

Leadership Development

In pursuance of promoting healthy leader-staff relationships, **the dti** successfully concluded the rollout of a senior management coaching programme to 48 senior managers. The programme sought to equip senior managers with skills of self-awareness, mindfulness and resonant leadership. To address individual developmental needs and management alignment, the programme included both individual and group sessions.

Recruitment Efforts

For the financial year under review, **the dti** has recruited 38 employees, of which 31 were new employees and seven were internal promotions. The vacancy rate was effectively managed down to 6.1% against the public service target of 10%. **the dti** has been successful in retaining 97% of its skills and institutional memory base, as evidenced by the cumulative turnover rate of 3%.

Employment Equity

Another critical aspect of building cohesive but diverse teams is transformation in the workplace. **the dti** has robustly transformed the workplace and is regarded as one of the forerunners in the public service. People with Disability now represent 3.9% of the workforce, exceeding the 2% target set by Cabinet. **the dti** has also exceeded the target of 50% for women in senior management positions by 4%, with representation of women in senior positions standing at 54% since the previous financial year.

Youth Empowerment Programme

the dti's flagship programme for youth empowerment is the Internship Programme. A total of 69 interns were provided with experiential learning over a two-year period ending 31 March 2020. The next intake of 54 interns was planned to take place during the 2020/21 financial year.

12.2 Service Delivery Improvement Plan

Operational Excellence is the second value that focuses on service delivery with emphasis on Batho Pele service delivery standards and continuous improvement. The operational plans of the various divisions in the department are supported by Service Delivery Improvement Plans based on Batho Pele service standards.

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

12.2.1 Main Services and Standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Provision of financial support through Black Industrialist Scheme (BIS) incentive	Medium and large black businesses	Completed applications approved within 50 working days after receipt	Completed applications approved within 40 working days after receipt.	Completed applications approved within 40 working days after receipt

12.2.2 Batho Pele arrangements with beneficiaries (consultation access, etc.)



Current/actual arrangements	Desired arrangements	Actual achievements
A total of 106 information sharing and consultative sessions were conducted with strategic stakeholders	Conduct 120 information sharing and consultative sessions with strategic stakeholders	Conducted 120 information sharing and consultative sessions with strategic stakeholders

12.2.3 Service Delivery Information Tool

Current/actual information tools	Desired information tools	Actual achievements
Distributed brochures in one national office and three regional offices and upload information about incentive on the dti website	Distribute brochures in one national office and three regional offices and upload information about incentive on the dti website	Distributed brochures in one national office and three regional offices and uploaded information about incentives on the dti website
Conducted 12 BIS workshops	Conduct 5 BIS workshops	Conducted 6 BIS workshops
Increase awareness	Increase awareness regarding BIS by advertising in one print and two voice media	Increased awareness on BIS by advertising in three print and two voice media

12.2.4 Complaints Mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
100% of enquiries and complaints responded to or referred to relevant office within 48 hours	100% of enquiries and complaints responded to or referred to relevant office within 48 hours	100% of enquiries and complaints responded to or referred to relevant office within 48 hours
Send an apology to applicant for application not processed within 50 working days	Send an apology to applicant for application not processed within 40 working days	Sent an apology to applicant for application not processed within 40 working days

12.3 Organisational Environment

Environment

The department continues to be one of the forerunners in the public service in promoting excellence in the provision of corporate services.

The merger of the dti and EDD

The 6th Administration of Government, which came into effect in May 2019, and the subsequent promulgation of the merger of **the dti** and the EDD into the new department, **the dtic**, brought about significant changes to the work of **the dti**. Some of the changes are the expanded mandate of the department, and an increase in budget and number of employees.

In line with the directives and guidance provided by the DPSA, the merger project was broken down into two phases. The

objectives of Phase 1, which came to an end on 31 March 2020, was to ensure stability and continuity of operations by bringing together the two departments “as is” without any due diligence being undertaken. Phase 2 will commence in the 2020/21 financial year with a view to respond to the priorities of the Minister to design a structure that is fit for purpose and which addresses working in silos, streamlines business processes and reduces administrative burdens, as well as reprioritises resources. A joint Departmental Task Team comprising the employer and organised labour representatives oversaw the merger project. Consultations with organised labour were successfully concluded, and employees were issued with transfer letters into the new department. An area that requires attention in Phase 2 would be to ensure that working arrangements that are not aligned with the approved structure are duly processed and approved.

Impact of COVID-19

During February and March 2020, the world was hit by a novel coronavirus (SARS-CoV-2) called the coronavirus disease of 2019 (COVID-19), which has been declared a pandemic by the World Health Organisation (WHO). Consequently, the President declared this a national disaster and imposed a national lockdown. Due to the urgent need to contain the spread of the virus, extraordinary measures were implemented, informed by the President’s directive and the DPSA guidelines. Some of the measures implemented by the department were raising awareness on hygienic behaviour, including social distancing, coughing into an elbow, suspending non-essential travel locally and abroad, suspending meetings, self-isolation, remote working and the issuing of personal protective equipment. The social and economic impact is not fully known at this stage, but indications are that these could be adverse.

Employer Value Proposition

The Employer Value Proposition (EVP), underpinned by **the dti** Values, positions the department as one of the employers of choice. It provides prospective employees with the department career offerings, in terms of what is in it for them should they choose to join the department. The EVP encourages employees to want to stay by providing a benchmark of what they stand to lose out on should they leave the department.

Workforce

The department’s workforce has remained stable due to austerity measures that prompted the scaling down of its recruitment efforts. To ensure that operations were not adversely affected, the department focused its energies on the optimisation of staff through reassignment of roles and responsibilities.

Employment Relations

The department continues to maintain a healthy working relationship with organised labour with a view to promoting good relations between employer and employees. The number of disciplinary matters recorded during the 2019/20 financial year was 45, of which 35 were informal and 10 formal cases. The informal and formal cases were dealt with in average periods of 34 and 542 days respectively. The average turnaround time of 542 days is mainly due to an employee who is on suspension because of alleged unprofessional conduct. The matter is currently in the final stages at the General Public Service Sector Bargaining Council (GPSSBC). The majority of other cases revolve around failure to disclose financial interests in time.

The department dealt with 38 grievances during the reporting period, which resulted in average turnaround times of 86 days for the 30 below-SMS cases and 90 days for the eight SMS cases against targets of 30 days and 45 days respectively. Seventy-one percent of the 38 grievances were resolved. The number of grievances lodged represented 3.3% of the staff complement of 1 153 employees. The reduction of turnaround times to acceptable levels will receive attention in the 2020/21 financial year.

Employee Health and Wellness

the dti facilitated
R21.3 billion
 of export sales assisting over
4 300 companies
 through the
EMIA scheme



the dti staff are the most valued asset of the department, and therefore the department has one of the most progressive and holistic wellness programmes. The programme includes a flexi-time policy, a nearby early learning centre, an on-site medical clinic with an occupational nursing sister and visiting doctor, and a 24/7 counselling service for staff and family. Employees were encouraged to work remotely to prevent the spread of COVID-19.

Performance Management

Performance management is another key tool that the management of **the dti** used to ensure that services are rendered according to set service standards. The service standards form the basis for concluding performance agreements and facilitate effective monitoring of good and underperformance. Some 97.8% performance agreements were concluded in respect of the 2019/20 financial year. The department has put in place corrective measures to deal with non-compliance.

Towards Intellectual Excellence

As a knowledge-based department, learning, skills improvement, information management and innovation are critical for the successful delivery of departmental programmes and services.

Some of the training and development initiatives rolled out during the year were CIP, Export Promotion, Protocol and Etiquette, Personal Mastery, Basic Sign Language, Investments for South Africa, Policy Formulation and Implementation, Research Methodology and MS Office.

The department continued to support employees in developing themselves through formal studies, and to this end, 214 employees participated in the departmental bursary programme. Of these, 68 and 10 employees studied towards Masters and Doctorate qualifications respectively.

12.3.1 Key Policy Developments and Legislative Changes

The work of the department was initially underpinned by the IPAP. Although the 2019/20 iteration of the IPAP was prepared, Cabinet did not adopt it. In its place, Cabinet approved the Reimagined Industrial Strategy as presented by the Minister at the Cabinet Lekgotla in June 2019.

The strategy sets out a review of previous interventions, lessons learnt and the path towards a refined industrialisation approach. The strategy further recognises that the success of industrial policy is underpinned by a strong collaboration between the social partners, prioritisation of sectors, centrality of policy to the growth strategy and coordination at Presidency.



The Reimagined Industrial Strategy is operationalised through the application of a masterplanning process that seeks to create a shared vision and secure reciprocal action-oriented commitments between industry, government and labour for the long-term sustainability and growth of the national priority sectors.

The recent outbreak of COVID-19 had a massive impact on global health systems, supply chains and economic growth. The effects of this external shock are being felt in all key South African productive sectors and pose significant risks to industrial capacity and jobs.

In addition to the overall change in the industrial policy environment, the following were some of the key changes made to the policy environment within specific sectors.

Agro-processing

- Finalisation and the launch of the Poultry Masterplan
- Commencement of the Sugar Masterplan in collaboration with the Minister of Agriculture, Forestry and Fisheries. Significant progress has already been registered – the plan is signed off in principle, awaiting for an official launch
- Transitional arrangements were made through the key amendments to the sugar regulations by the South African Sugar Association (SASA) to improve the competitive environment in which the industry can contribute to its optimal development and growth – this is considered to be a work in progress and still requires ministerial endorsement.

Retail – Clothing, Textiles, Leather and Footwear

- Finalisation and launch of the R-CTLF Masterplan
- The dedicated SARS Inter Agency Working Group was set up together with ITAC to deal with illegal imports and illicit trade. Customs continued to detain suspicious containers. Millions of Rands of under-invoiced and counterfeit goods were seized through this process.

Green Industries

- The Integrated Resource Plan (IRP) for electricity generation until 2030 was approved and gazetted in October 2019. The IRP supports a diverse energy mix with continued high usage of coal. Provision was made for the extension of Koeberg use and additional new nuclear capacity in future, 6,000MW of new solar PV capacity and 1,4400MW of new wind power capacity which will be commissioned by 2030.

Industrial Procurement

- The Public Procurement Bill was issued for public comments until the end of May 2020.

Amendments were made to the B-BBEE, which was gazetted for implementation in May 2019 with a six-month transitional period. The changes were in Statement 000, Statement 300, Statement 400 and Schedule 1 of the Amended Codes of Good Practice. Defence B-BBEE Sector Codes of Good Practice was re-gazetted for implementation on 12 April 2019. Draft Chartered Accountancy Sector Codes of Good Practice for a 60-day public commentary period were gazetted on 26 April 2019.

The United States Trade Representatives (USTR) is reviewing the eligibility of South Africa to benefit from the Generalised System of Preferences (GSP), this after accepting a petition by the International Intellectual Property Alliance (IIPA) on the basis that South Africa lacks IP enforcement capacity and that US companies will not have IP protection with regards to the Copyright Amendment Bill and Performers' Protection Amendment Bill. On 19 November 2019, the USTR published a notice in the Federal Register for a public hearing and requested comments for the review, indicating it would focus on whether South Africa was meeting the GSP eligibility criterion requiring adequate and effective protection of IPRs. As part of the review process, South Africa made a submission in January 2020, attended the public hearings by the end of January 2020 in Washington DC and submitted a post-hearing submission by the end of February 2020. **the dti** made contributions concerning the Bills. In March 2020, the Consumer and Corporate Regulation Division and International Trade and Economic Development Division coordinated and participated in the USTR country visit from 9 to 12 March 2020. The visit included meetings with industry, government departments, and regulatory agencies.

Stakeholder meetings were held during the quarter under review regarding the National Credit Regulations. Further consultations on the National Credit Amendment Act implementation took place with the National Credit Regulator and the National Consumer Tribunal and industry.

Internal Corporate Changes

The implementation of Phase 2 of NMOG could bring changes to the organisational structure and business processes of the department. COVID-19 has forced organisations to rethink the current working methods. **the dti** developed a protocol on new ways of working in line with national regulations and DPSA guidelines.



13. STRATEGIC OUTCOME-ORIENTED GOALS

13.1 Strategic Outcome-Oriented Goals

- Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation
- Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objective
- Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth
- Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner
- Promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery

13.2 Strategic Objectives

- Grow the manufacturing sector to promote industrial development, job creation, investment and exports
- Improve conditions for consumers, artists and opening up of markets for new patents players
- Strengthen capacity to deliver on **the dti** mandate

13.3 Alignment to the National Development Plan and the Medium-Term Strategic Framework

The NDP is being implemented through five-year implementation plans which were consolidated into the 14 outcomes of the MTSF 2014-19.

The work of **the dti** is primarily reflected in Outcome 4: Decent employment through inclusive economic growth and Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world.

The APP was crafted to align with the MTSF and designed to ensure that **the dti** met its outcome objectives by 2019. The APP activities listed herein consequently represent the cumulating progress towards achieving the MTSF objectives.

Significant achievement towards outcomes, five-year target and NDP

Strategic outcome-oriented goals	MTSF interventions	Five year targets	Linkages to government outcomes	Significant achievements
Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	All IPAP interventions implemented	All IPAP interventions implemented	Outcome 4: Decent employment through inclusive growth	<p>The traditional IPAP was completed but not launched. The Minister presented the Reimagined Industrial Strategy and the associated action plan to Cabinet which was approved and communicated to the public. Consequently, the launch of two masterplans (i.e. R-CTFL Value Chain & Poultry Sector) were done at the Presidential Investment Conference on 7 November 2019</p> <p>Incentives R4.3 billion industrial funding support approved across all incentives that would leverage R33 billion projected private sector investment and support 43 000 jobs.</p> <p>SEZs The Tshwane Automotive SEZ was designated with a focus on the automotive component manufacturers. The zone managed to secure 12 investors. The infrastructure planning has commenced.</p> <p>the dti managed to designate 11 SEZs in seven provinces. These SEZs attracted a cumulative number of 120 operational investors, with a value of R17,7 billion, creating 15 882 direct jobs. The SEZs also managed to achieve approximately R34 billion worth of secured investments that are being operationalised.</p>

Significant achievement towards outcomes, five-year target and NDP

Strategic outcome-oriented goals	MTSF interventions	Five year targets	Linkages to government outcomes	Significant achievements
				<p>Industrial Parks</p> <p>Six IPs are under construction, namely Vulindlela IP, Komani IP, Dimbaza IP, Botshabelo IP, Babelegi IP and Bodirelo IP. One IP (Isithebe Phase 2) is in tender stage. The development of the first Digital Hub was launched in Isithebe on 31 October 2019 by Deputy Minister Nomalungelo Gina. The second digital hub site, Botshabelo, has been identified and revitalised and will be launched in the next financial year.</p> <p>A cumulative total of 1 436 job opportunities have been created since the inception in 2016 of the IPRP. In the 2019/20 financial year, 400 construction jobs were created in the respective areas where the Industrial Parks are located and 44 SMME contractors utilised. The revitalisation programme also ensures retention of firms in the Industrial Parks therefore ensuring work and business opportunities in the townships and rural areas.</p> <p>During the 2019/20 financial year refurbishment work was done on seven Industrial Parks. With Phase 2 works approved on four Industrial Parks, Digital Hub sites have been identified in five Industrial Parks.</p> <p>Black Industrialist Programme</p> <p>67 interventions to support Black Industrialists (BIs) in the IPAP Sectors (Non-Financial Support). There was an under-achievement on the target due to the outbreak of COVID 19 pandemic.</p> <p>Invest-SA</p> <p>Bizportal launched on 4 November 2019 in a bid to reduce South Africa's lengthy business registration periods integrated platform. The new portal includes functions such as registering for the unemployment insurance fund (UIF), the compensation fund, and getting a tax number. Stakeholder engagement on the expansion of InvestSA OSS was done in the Eastern Cape, Limpopo and Northern Cape provinces. The construction of provincial OSSs were duly completed. However, the launch dates were postponed due to the global COVID-19 pandemic.</p>

Significant achievement towards outcomes, five-year target and NDP

Strategic outcome-oriented goals	MTSF interventions	Five year targets	Linkages to government outcomes	Significant achievements
Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	Develop MBAP and incorporate into IPAP		Outcome 4: Decent employment through inclusive growth	<p>The Primary Minerals Processing and Construction achieved success when Komatsu SA invested R300 million in an engine remanufacturing plant in Rietondale. The plant is part of Komatsu's industrial campus in South Africa serving as the central hub from which the company manages its operational footprint across Southern Africa through the supply of mining and construction equipment. The industrial campus also consists of a technical centre which has provided training to over 2 300 people over the last three years, as well as a distribution centre that moves parts into Southern Africa. Komatsu employs 1 250 people across Southern Africa.</p> <p>The construction of the first fuel-cell manufacturing facility in South Africa at Dube Trade Port presented opportunities for platinum beneficiation, new growing green industries. Vodacom already deployed 300 of its fuel cells with the potential for an additional R1 bn contracts with the telecoms (Vodacom, MTN) sector.</p> <p>Steel sector intervention</p> <p>Additional trade support was provided to the steel downstream industries: tariffs increased to the maximum bound rates allowed; trade remedies; deployment of rebates where products are not manufactured or additional value added before export.</p> <p>SARS reference price system was developed for steel products to address low priced imports; an inter-agency working group established to tackle illegal trade.</p> <p>The Steel Competitiveness Fund criteria and lending rates were amended to improve accessibility to the industry as well reduce the cost of lending for small and medium companies.</p>
Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	Increase use of local metals in South African manufacturing		Outcome 4: Decent employment through inclusive growth	
Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	Increase localisation target to 75%		Outcome 4: Decent employment through inclusive growth	<p>Localisation</p> <p>Proudly SA is working with the Consumer Goods Council, the Manufacturing Circle and the dti to approach all retailers to consider an "import replacement" initiative for locally made products as well as a localisation drive whereby shelf-space will be ring-fenced in favour of locally made products and services.</p>

Significant achievement towards outcomes, five-year target and NDP

Strategic outcome-oriented goals	MTSF interventions	Five year targets	Linkages to government outcomes	Significant achievements
Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives	FDI investment pipeline R50 bn Economic diplomacy and pavilions Seven investments and five trade promotion projects Tripartite-Free Trade Agreement (T-FTA) South Africa's position on T-FTA and Continental -FTA	T-FTA concluded Draft SA position on processes towards the establishment of the AfCFTA	Outcome 11: Create a better South Africa and a better world	Facilitated 44 Export Awareness Seminars in the following provinces: Gauteng (13), Limpopo (9), Free State (7), Mpumalanga (3), Northern Cape (3), KZN (2), Eastern Cape (3), Western Cape (3), and North West (1). All these seminars were attended by 1 738 emerging exporters. Trained 1 029 companies through the Global Export Passport Programme. Organised and managed trade initiatives in the form of exhibitions and missions throughout the world in different sectors. In doing so, the dti recorded R3,464 billion of export sales facilitated. The total investment in the pipeline for 2019/20 financial year is R220,852 billion. South Africa ratified the TFTA and deposited its instrument of ratification in December 2018. The Agreement requires 14 ratifications to enter into force. To date, eight member states have ratified the agreement. Conclusion and ratification of the AfCFTA. Following the adoption of the legal instruments establishing the AfCFTA by AU heads of state and government on 21 March 2018, the operational phase requires conclusion of negotiations on tariff offers, of which rules of origin are integral. Parallel negotiations on services commitments will also need to be concluded. In the next phase, AU members have agreed to work on protocols covering investment, competition and IPRs.

14. PERFORMANCE INFORMATION BY PROGRAMME

14.1 Programme 1: Administration

- Purpose:** Provide strategic leadership, management, and support services to the department, and conduct research on industrial development, growth, and equity.
- Description of Sub-programmes:**
 - The Ministry** provides leadership and policy direction to **the dti**;
 - The Office of the Director-General** provides overall management of **the dti**'s resources;
 - Corporate Services** provides customer-centric and integrated resource solutions in human resources management, information and communication technology, legal services and facilities management;
 - Office Accommodation** is an allocation for accommodation services to **the dti** regional offices and ensures continued maintenance service;
 - Financial Management** provides support to **the dti**, with respect to financial resource allocation and the management thereof, to aid the fulfilment of the department's goals and objectives; and
 - Marketing, Communication and Media Relations** facilitates greater awareness of the department's role and increases the uptake of its products and services; as well as ensuring that it is projected positively in the media through influencing the content of all media in favour of the department.

Strategic Objectives

Significant achievements on targets were the payments to all eligible creditors processed within 30 days. This ensured that businesses could function as companies were not compromised. Furthermore, the department managed to maintain the clean audit status it had attained in previous years.

Reduced the annualised turnover rate to 3% against the target of 6.8%; increased the representation of women in senior management positions to 54%, thereby exceeding the Cabinet target of 50% by 4%; and increased the representation of People with Disability to 3.9% against the Cabinet target of 2% and **the dti** target of 3.7%.

Programme name: Administration					
Strategic objectives	Actual achievement 2018/2019	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
Percentage (%) vacancy rate	1.2%	5%	6.1%	-1.1% deviation	Focus was placed on the NMOG process and as a result, recruitment did not proceed as planned.

Performance Indicators

Programme/sub-programme: Administration							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Percentage (%) of staff turnover (unexpected)	3%	3.8%	4.7%	6.8%	3%	3.8%	Exceeded the target due to over saturation in the labour market, economic downturn and high unemployment rates that may contribute to employees remaining in the department.
Percentage (%) of people with disability employed	3.4%	3.6%	3.8%	3.7%	3.9%	0.2%	Exceeded the target due to employees disclosing their disability as well as a lower headcount.
Percentage (%) of women employed in senior management positions	50%	51%	54%	50%	54%	4%	Exceeded the target due to lower headcount.
Percentage(%) of eligible creditors payments processed within legal timeframes	All eligible creditors' payments made within 30 days	All eligible creditors payments made within 30 days	All eligible creditors' payments made within 30 days	100% eligible creditors' payments made within 30 days	All eligible creditors payments processed within 30 days. (Avg 57% of 21 811 payments were processed within 15 days. Remainder within 30 days)	N/A	N/A

Reasons for all deviations

Reasons for deviations are provided in the deviation column above.

Strategy to overcome areas of underperformance

With regards to the non-achievement of the target for the filling of positions focus will be placed on the monitoring of progress and escalations for interventions where delays are experienced will be implemented.

Changes to planned targets

None

Linking performance with budgets

The programme had a total expenditure of R807,7 million for the 2019/20 financial year. As a support programme, the expenditure incurred is towards the human resources, goods, services and investment in capital assets to support the programme's work of ensuring effective and efficient service delivery.

Sub-programme expenditure						
Sub-programme	2019/2020			2018/2019		
	Final appropriation	Actual expenditure	(Over)/Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	38 077	37 205	872	33 488	33 392	96
Office of the Director-General	112 424	111 651	773	98 048	97 976	72
Corporate Services	514 120	506 500	7 620	523 984	519 282	4 702
Office Accommodation	1 680	1 625	55	2 359	2 358	1
Financial Management	78 554	77 822	732	67 769	67 197	572
Marketing Communication and Media Relations	79 905	72 942	6 963	93 515	93 313	202
Total	824 760	807 745	17 015	819 163	813 518	5 645

14.2 Programme 2: International Trade and Economic Development

- Purpose:** Build an equitable global trading system that facilitates development by strengthening trade and investment links with key economies and fostering African development, including regional and continental integration and development cooperation in line with the New Partnership for Africa's Development (NEPAD).
- Description of Sub-programmes**
 - International Trade Development** facilitates bilateral and multilateral trade relations and agreements.
 - African Multilateral Economic Development** facilitates multilateral African trade relations aimed at deepening regional integration.

Strategic Objectives

The contribution to the strategic goals of the department is delivered through:

- Providing new trading opportunities, and addressing barriers in export markets to support increased domestic production for export.
- Preserving policy space in international rule-making for industrial and trade policy measures that is critical to enable South Africa's developmental industrial policy.

Specific achievements towards these contributions are outlined below:

- In support of the strategic objective of growing the manufacturing sector, the division continued its work to reduce barriers in South African export markets, build positive trade relations with partners, while engaging in multilateral fora to advocate its broad developmental objectives, notably with respect to preserving policy space that would allow the department to deploy domestic trade and industrial policy measures for the country's development.
- South Africa continued to adopt a developmental trade policy that ensured that tariff setting supported industrial development to facilitate upgrading and competitiveness of the South African manufacturing sector.
- Engagement in Africa is on the basis of a development integration agenda that takes a nuanced approach, seeking to advance not only market integration, but also cooperation on industrial and infrastructure development. South Africa contributes to this through its outward investment-led strategy.
- Increased intra-African trade will be achieved through the implementation of the AfCFTA and TFTA. Progress towards this objective was registered by the conclusion and ratification of the AfCFTA, and the ratification of the TFTA.
- Implementation of the SADC-EU EPA resulted in growing trade although the trade balance continued to favour the EU. An agreement was reached with the UK to ensure no disruption of trade when it leaves the EU trade arrangement at the end of 2020.
- Engagements in the WTO, G20 and BRICS aim to advance a developmental agenda and to achieve this, South Africa built strategic alliances with like-minded countries towards coordinated positions, where possible.
- On the policy front, the department made significant progress towards the development of a comprehensive, balanced IPR policy that strikes a balance between protecting IPRs and ensuring that innovation is shared across society to promote wider socio-economic development.

- In relation to investment policy, the department actively participated in multilateral platforms on investment reforms that support sustainable development and safeguard the right of government to regulate in the public interest on the basis of the Protection of Investment Act.

Programme name: International Trade and Economic Development					
Strategic objectives	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Six status reports produced on progress for TFTA (2) and CFTA (4) negotiation	Two status reports produced on progress for T-FTA negotiations	Two status reports produced on progress for T-FTA negotiations	N/A	N/A
		Four status reports produced on progress for C-FTA negotiations	Four status reports produced on progress for C-FTA negotiations		
	Two reports on implementation of SADC-EU EPA	Two reports on implementation of SADC-EU EPA	Two reports on implementation of SADC-EU EPA	N/A	N/A
	16 status reports produced on engagements in global fora	16 status reports produced on engagements in global fora	16 status reports produced on engagements in global fora	N/A	N/A

Performance Indicators

Programme/sub-programme: International Trade and Economic Development							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of status reports on regional economic integration	–	Two status reports produced on progress for TFTA and CFTA negotiations	Six status reports produced on progress for T-FTA (2) and CFTA (4) negotiation	Two status reports produced on progress for T-FTA negotiations	Two status reports produced on progress for the T-FTA negotiations	N/A	N/A
				Four status reports produced on progress for C-FTA negotiations	Four status reports produced on progress for the CFTA	N/A	N/A
Number of reports on Implementation of SADC-EU Economic Partnership Agreement (EPA)	–	Two reports on implementation of SADC-EU EPA	Two reports produced on implementation of SADC-EU EPA	Two reports on implementation of SADC-EU EPA	Two reports on implementation of SADC-EU EPA	N/A	N/A
Number of status reports on engagement in global fora (BRICS, G20, AGOA, UK Brexit)	–	14 status reports were produced on engagements with global fora	16 status reports produced on engagements in global fora	16 status reports produced on engagements in global fora	16 status reports produced on engagements in global fora	N/A	N/A

Reasons for all deviations

None. All planned targets were achieved.

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

None

Linking performance with budgets

The programme's budget allocation for the 2019/20 financial year was R125 million, compared to R122 million in the 2018/19 financial year. As at 31 March 2020, spending on this programme stood at R124,3 million and comprised costs for the human resources, goods and services that drive the programme's work on the AfCFTA.

Sub-programme expenditure

Sub-programme	2019/2020			2018/2019		
	Final appropriation	Actual expenditure	(Over)/Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
International Trade Development	108 071	108 034	37	103 351	103 339	12
African Multilateral Economic Development	17 011	16 298	713	18 742	18 736	6
Total	125 082	124 332	750	122 093	122 075	18

14.3 Programme 3: SEZs and Economic Transformation

- a) **Purpose:** Drive economic transformation and increase participation in industrialisation.
- b) **Description of Sub-programmes**
 - (i) **Enterprise Competitiveness** fosters and stimulates industrialisation and structural change through the development and deployment of technologies and skills development programmes.
 - (ii) **Equity and Empowerment** promotes B-BBEE and the real growth of the economy through the BIP.
 - (iii) **Spatial Industrial Economic Development** (SEZs) promotes a more spatially balanced regional economy through the development of policies, strategies and programmes; and SEZs, clusters and incubators amongst other things.

Strategic Objectives

The expansion of the ORTIA and DTP SEZs were approved by the SEZ Advisory Board in August 2019. This gave birth to Tshwane Automotive SEZ which President Ramaphosa successfully launched in November 2019. During the 2019/20 financial year, refurbishment work was done on seven industrial parks. With Phase 2 works approved on four industrial parks, Digital Hub sites have been identified in five industrial parks.

The main programme that **the dti** is implementing, which is part of the B-BBEE policy, is the EEIP. The EEIP enables multinationals operating in South Africa to undertake new investments in the economy while contributing to the empowerment of black people and black SMMEs in particular. During the 2019/20 financial year about 15 multinationals made a commitment of more than R7 billion through EEIP to be spent over the next 10 years. A total of 67 interventions to support BIs in the IPAP sectors (non-financial support) were conducted. There was an under achievement on the target due to the outbreak of the COVID-19 pandemic.


Programme name: SEZs and Economic Transformation

Strategic objectives	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	Nil	One	Two SEZs	One	Improved efficiencies in signed and committed investment packages.
					Speed authorisation and permits on applicable legislation, and high level provincial leadership participation
	Two	Two	Two implementation reports on the Industrial Parks submitted to Minister	N/A	N/A
	Two	Two reports on the implementation of the B-BBEE Amendment Act and Regulations (Biannual and annual)	Two implementation reports on the B-BBEE Amendment Act and regulations submitted to the Minister	N/A	N/A
	85 interventions achieved to support BIs in IPAP sectors (non-financial support)	80 interventions to support BIs in the IPAP sectors (Non-financial)	67 interventions to support BIs in the IPAP Sectors (non-financial support)	(13)	Due to cancellations or postponement of planned meetings, outbound Trade Mission to Tanzania, Supplier Day session to the next financial year due to COVID-19 pandemic outbreak in quarter 4. Cancelled meetings and session and trade mission to be implemented in 2020/21

Performance Indicators

Programme/sub-programme: SEZs and Economic Transformation							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of SEZs submitted to Minister for designation	–	Two	0	One	Two	N/A	N/A
Number of implementation reports on the Industrial Parks submitted to Minister	Two	Two reports submitted to Minister	Two	Two	Two	N/A	N/A
Number of reports on implementation of the B-BBEE Amendment Act and Regulations submitted to the Minister	One	Two reports submitted to Minister	Two	Two reports on the implementation of the B-BBEE Amendment Act and Regulations (Biannual and annual)	Two implementation reports on the B-BBEE Amendment Act and Regulations submitted to the Minister	N/A	N/A
Number of interventions to support BIs in the IPAP sectors (non-financial)	-	116 interventions to support BIs in IPAP sectors: (50 financial and 66 non-financial)	85 interventions achieved to support BIs in IPAP sectors (Non-financial support)	80 interventions to support BIs in the IPAP sectors (non-financial)	67 interventions to support BIs in the IPAP Sectors (non-financial support)	Due to cancellations or postponement of planned meetings, outbound trade mission to Tanzania, Supplier day session to the next financial year due to Corona pandemic outbreak in Quarter 4	Cancelled meetings and sessions and trade missions to be implemented in 2020/21

Reasons for all deviations

The outbreak of the COVID-19 pandemic resulted in cancellations or postponements of planned meetings, an outbound trade mission to Tanzania, and a supplier day session to the next financial year.

Strategy to overcome areas of underperformance

The merging of the two departments will enable the division to be strategically capacitated in performing its mandate.

Changes to planned targets

None

Linking performance with budgets

The programme's budget allocation for the 2019/20 financial year was R165,3 million. As at 31 March 2020, spending on this programme stood at R156,3 million or 94.6% of the allocated budget. It comprised costs for the human resources, goods and services as well as transfers payments, which have ensured continued work to drive economic transformation and increase participation in industrialisation.

Sub-programme expenditure

Sub-programme	2019/2020			2018/2019		
	Final appropriation	Actual expenditure	(Over)/Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Enterprise Competitiveness	50 343	49 451	892	31 715	30 678	1 037
Equity and Empowerment	73 912	66 707	7 205	57 800	47 642	10 158
Spatial Industrial Economic Development	41 034	40 142	892	46 585	43 643	2 942
Total	165 289	156 300	8 989	136 100	121 963	14 137

14.4 Programme 4: Industrial development

- a) **Purpose:** Design and implement policies, strategies and programmes to strengthen the ability of manufacturing and other sectors of the economy, to create decent jobs and increase value addition and competitiveness in domestic and export markets.
- b) **Description of Sub-programmes**
- (i) **Industrial Competitiveness** develops policies, strategies and programmes to strengthen the ability of manufacturing and other value-adding sectors to create decent jobs and increase value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling IPAP
 - (ii) **Customised Sector Programmes** develops and implements high-impact sector strategies focused on manufacturing and other value-adding sectors to create decent jobs, and increases value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling IPAP

Strategic objectives

The strategic objective of the Industrial Development Division (IDD) is to grow the manufacturing sector and promote industrial development, job creation, investment and exports. This is achieved through the development and implementation of an annual rolling IPAP.

The IPAP, while prepared for the 2019/20 financial year, was not adopted by Cabinet. Cabinet has approved the Reimagined Industrial Strategy as presented by the Minister at the Cabinet Lekgotla in June 2019. In this regard, the IDD contributed to increased industrialisation through the development of masterplans in national priority sectors, which is a key component of the Reimagined Industrial Masterplan. Key achievements in the period under review include:

Two masterplans (i.e. the R-CTFL value chain and Poultry sector) were launched at the Presidential Investment Conference as part of the implementation of the Reimagined Industrial Strategy and implementation is in progress through the establishment of EOCs and Technical Task Teams.

The Poultry Masterplan was launched at the Investment Conference of the President in November 2019. An investment commitment by SAPA to the tune of R1,7 billion was secured to invest in poultry productive capacity. The first EOC also took place to fast-track the implementation of the masterplan.

The R-CTFL Masterplan has been launched at the President's Investment Conference with about R7 billion worth of investment committed to the industry. The first EOC took place to fast-track the implementation of the masterplan. The EOC responsible for monitoring the implementation of the South African Automotive Masterplan was formed and the initial meeting took place in December 2019.

The Automotive Industry Transformation Fund was officially announced in November 2019. The key aim of the fund is to seed, develop and grow black-owned companies within the automotive supply chain. It can be expected to be fully operational from 2021.

Programme name: Industrial Development					
Strategic objectives	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	IPAP was prepared and submitted to the Minister	Annual rolling IPAP 2020/21 submitted to Minister for tabling in Cabinet by March 2020/21	Nil	Following the introduction of the Reimagined Industrial Strategy in June 2020, the 2020/21 IPAP was not prepared for the Minister	The IPAP while prepared for the 2019/20 financial year was not adopted by Cabinet. Cabinet approved the Reimagined Industrial Strategy as presented by the Minister at the Cabinet Lekgotla in June 2019
	Three implementation reports on IPAP tabled at the Minister's review meetings on the following dates: – 6 July 2018 – 3 October 2018 – 15 February 2019	Four implementation reports on IPAP prepared for the Minister's review meetings per year	One implementation report was prepared and the Reimagined Industrial Strategy was approved by Cabinet Lekgotla in June 2019	Two masterplans were launched at the President's Investment Conference	The division focused all work on the development of masterplans. This led to the division not being able to achieve the targets as initially defined by the IPAP
	Two designation requests prepared for the Minister i.e. 1) Medium Voltage (MV) switchgear products. 2) Steel Conveyance Pipes	Two designation requests prepared for the Minister per year	Four designation requests prepared for the Minister i.e. i) Plastic pipes and fittings products (ii) Bulk material handling (conveyor system equipment) (iii) Ester oil; and (iv) Instrument transformers	Two designations requests were submitted in the 2018/19 financial year but were signed off by Minister in the first quarter of 2019/20	N/A

Reasons for all deviations

The main reason for deviation was that the IPAP, while prepared for the 2019/20 financial year, was not adopted by Cabinet. Cabinet approved the Reimagined Industrial Strategy as presented by the Minister at the Cabinet Lekgotla in June 2019.

The modality to operationalise the Reimagined Industrial Strategy is the application of a master-planning process that seeks to create a shared vision together with industry, government and labour. IDD therefore focused all of its work on the development of the masterplans. This led to the division not being able to achieve the targets as initially defined by the IPAP.

Performance Indicators

Programme/sub-programme: Industrial Development							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
New iteration of IPAP submitted to Minister for tabling in Cabinet annually	IPAP 2017/18 submitted To the Minister for tabling in Cabinet by March 2017	Annual Rolling IPAP 2018/19 submitted to the Minister for tabling in Cabinet March 2018	IPAP 2019/20 was prepared and submitted to the Minister	Annual rolling IPAP 2020/21 submitted to the Minister for tabling in Cabinet by March 2020	Nil	Following the introduction of the Reimagined Industrial Strategy in June 2020, the 2020/21 IPAP was not prepared for the Minister	The IPAP while prepared for the 2019/20 financial year was not adopted by Cabinet. Cabinet approved the Reimagined Industrial Strategy presented by the Minister at the Cabinet Lekgotla in June 2019
Number of implementation reports on IPAP prepared for the Minister's review meetings per year	Three implementation reports on IPAP tabled at Minister's review meetings on 22 August 2016, 10 October 2016 and 5 December 2016	Four implementation reports on IPAP tabled at Minister's review meetings held on 10 April 2017, 15 September 2017 (Quarter 1 and 2 were tabled) and 26 March 2018 (Quarter 3 and 4 were tabled)	Three implementation reports on IPAP tabled at Minister's review meetings on the following dates: - 6 July 2018 - 3 October 2018 - 15 February 2019	Four implementation reports on IPAP prepared for the Minister's review meetings per year	One implementation report was prepared and the Re-imagined Industrial Strategy was approved by Cabinet Lekgotla in June 2019. In addition two masterplans were launched at the President's Investment Conference as part of the implementation of the Reimagined Industrial Strategy and implementation in progress through the establishment of EOCs and Technical Task Teams	A change in policy direction from the IPAP to Reimagined Industrial strategy resulted in not all implementation reports of IPAP prepared	The division focused all of its work on the development of the masterplans. This led to the division not being able to achieve the targets as initially defined by the IPAP

Programme/sub-programme: Industrial Development							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of designation requests prepared for Minister per year	Four designation requests submitted to the Minister: fire engine/ truck; and steel products and components for construction; water metres and wheelie bins	Four designation requests prepared for Minister i.e. i) Pumps and MV Motors; and ii) Industrial Lead Acid Batteries. iii) Rail Permanent Way sector iv) Pipe Fittings and Specials	Two designation requests prepared for the Minister i.e. 1) Medium Voltage (MV) switchgear products. 2) Steel Conveyance Pipes	Two designation requests prepared for the Minister per year	Four designation requests prepared for the Minister, i.e. Plastic pipes and fittings products; Bulk material handling (conveyor system equipment). Ester oil; and Instrument transformers.	Two additional designation requests submitted to the Minister	The research for the two designations were finalised in 2018/19 and reports only submitted for the Minister in Quarter 1.

Reasons for all deviations

Reasons for deviations are provided in the deviation column above.

Strategy to overcome areas of under performance

The division did not underperform on the targets. The target was changed through policy decisions. IDD was asked to deliver on the new policy directives. IDD launched two masterplans (Clothing, Textile, Leather and Footwear, and Poultry) at the President's Investment Conference.

Changes to planned targets

The original targets were changed to reflect the new policy directives as adopted by Cabinet in June 2019 in the new version of the APP 2020/21.

Linking performance with budgets

The programme's budget allocation for the 2019/20 financial year was R2,1 billion, compared to R2 billion in the 2018/19 financial year. As at 31 March 2020, spending on this programme stood at R2 billion or 99.3% of the allocated budget.

To continue supporting the programmes that strengthen the ability of the manufacturing and other value-adding sectors of the economy to create decent jobs and increase value addition in both domestic and export markets, transfer payments were made to the clothing, textiles, leather and footwear incentive and the technical infrastructure institutions (i.e. NMISA, NRCS, SANAS and SABS), to mention a few.

Sub-programme expenditure

Sub-programme	2019/2020			2018/2019		
	Final appropriation	Actual expenditure	(Over)/Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Industrial Competitiveness	1 049 883	1 035 834	14 049	1 015 793	1 015 782	11
Customised Sector Programmes	1 041 678	1 040 772	906	1 002 852	1 002 843	9
Total	2 091 561	2 076 606	14 955	2 018 645	2 018 625	20

14.5 Programme 5: Consumer and Corporate Regulation

- a) **Purpose:** Develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.
- b) **Description of Sub-programmes**
 - (i) **Policy and Legislative Development** develops policies, laws and regulatory frameworks.

- (ii) **Enforcement and Compliance** conducts trends analyses, socio impact assessments for policies and legislation and market surveys; draft and implements legislation monitors and evaluates the effectiveness of regulation; and oversees the performance of the department's regulatory entities (National Consumer Tribunal, National Credit Regulator, National Gambling Board, National Consumer Commission, Companies and Intellectual Property Commission, Companies Tribunal, and National Lotteries Commission).
- (iii) **Regulatory Services** oversees the development of policies, laws, regulatory frameworks and the implementation of the divisional mandate, and provides strategic support to divisional business units respectively.

Strategic Objectives

The division achieved two of its three targets on **the dti** APP. The planned targets were one socio-economic impact assessment (SEIAS) report; the four progress reports for the development of legislation; and the education and awareness programme to improve conditions for consumers, companies, the creative industry, and opening up of markets for intellectual property-based industry roleplayers and addressing other intellectual property measures. Through education and awareness campaigns, communities and stakeholders became aware of the policies and legislation administered by **the dti**, their rights and obligations the reduction of regulatory burden for companies, as well as the transparent and high standards of corporate governance.

Programme name: Consumer and Corporate Regulation					
Strategic objectives	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Improved conditions for consumers, artists and opening up of markets for new patents players	One SEIAS report on Companies Amendment Bill developed for Minister's approval	One SEIAS report on the Companies Amendment Bill developed for Minister's approval	SEIAS report revised and certified by the Department of Planning, Monitoring and Evaluation (DPME) for submission of the Companies Bill to the National Economic Development and Labour Council (NEDLAC) on 16 May 2019. SEIAS report revised based on the changes made to the Bill during the NEDLAC process.	The revised SEIAS report could not be submitted to DPME for certification and submission to Minister for introduction into Parliament due to delays in the NEDLAC process that commenced in June 2019 and is yet to conclude.	SEIAS report to be submitted to DPME upon approval of the NEDLAC report and the Companies Amendment Bill by NEDLAC Constituencies.
	Four progress reports on development of Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Minister's approval	Four progress reports on the development of the Companies Amendment Bill developed for Minister's approval	Four progress reports on the development of the Companies Amendment Bill developed for Minister's approval	N/A	N/A
	32 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval	24 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval	27 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval	Three	Three additional workshops were requested by municipalities

Performance Indicators

Programme/sub-programme: Consumer and Corporate Regulation							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of Socio-Economic Impact Assessment System (SEIAS) reports (previously RIA reports) developed for Minister's approval	Six SEIAS reports on Companies, Copyright, and Performers' Protection, Credit, Liquor and Gambling Amendment Bills developed for Minister's approval	Three SEIAS reports on Gambling, Liquor and Credit Amendment Acts developed for Minister's approval	One SEIAS report on Companies Amendment Bill developed for Minister's approval	One SEIAS report on the Companies Amendment Bill developed for Minister's approval	SEIAS report revised and certified by the Department of Planning, Monitoring and Evaluation (DPME) for submission of the Companies Bill to the National Economic Development and Labour Council (NEDLAC) on 16 May 2019. SEIAS report revised based on the changes made to the Bill during the NEDLAC process.	The revised SEIAS report could not be submitted to DPME for certification and submission to Minister for introduction into Parliament due to delays in the NEDLAC process which commenced in June 2019 and is yet to conclude.	SEIAS report to be submitted to DPME upon approval of the NEDLAC report and the Companies Amendment Bill by the NEDLAC constituencies
Number of progress reports developed for Minister's approval	-	Five Bills on Gambling, Liquor, Credit, Copyright and Performers Protections Amendment Acts developed for Minister's approval	Four progress reports on development of Gambling, Liquor, Credit, Performers and Copyright Amendment Bills developed for Minister's approval	Four progress reports on the development of the Companies Amendment Bill developed for Minister's approval	Four progress reports on the development of the Companies Amendment Bill developed for Minister's approval	N/A	N/A
Number of education and awareness workshops on policies and legislation conducted and report produced for Minister's approval	New indicator	28 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval	32 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval	24 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval	27 education and awareness workshops on policies and legislation conducted and report produced for Minister's approval	Three	Three additional workshops were requested by municipalities

Reasons for all deviations

Reasons for deviations are provided in the deviation column above.

Strategy to overcome areas of under performance

The division will ensure a strategy for under performance is implemented and monitored for SEIAS. SEIAS report to be submitted to DPME upon approval of the NEDLAC report.

Changes to planned targets

None

Linking performance with budgets

The programme's budget allocation for the 2019/20 financial year was R336,2 million, compared to R324,4 million in the 2018/19 financial year. As at 31 March 2020, spending on this programme stood at R329,9 million, with 76.59% disbursed to the regulatory agencies NCT, NCR, NGB, NCC and CT.

Sub-programme expenditure

	2019/2020			2018/2019		
Sub-programme Name	Final appropriation	Actual expenditure	(Over)/Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Policy and Legislative Development	17 851	16 942	909	19 123	19 116	7
Enforcement and Compliance	45 308	42 179	3 129	40 431	39 851	580
Regulatory Services	273 056	270 787	2 269	264 889	264 879	10
Total	336 215	329 908	6 307	324 443	323 846	597

14.6 Programme 6: Incentive Development and Administration

- a) **Purpose:** Stimulate and facilitate the development of sustainable and competitive enterprises through the efficient provision of effective and accessible incentive measures that support national priorities.
- b) **Description of Sub-programmes**
 - (i) **Broadening Participation** Incentives provides incentive programmes that promote broader participation in the mainstream economy of businesses owned by individuals from historically disadvantaged communities and marginalised regions.
 - (ii) **Manufacturing Incentives** provides incentives to promote additional investment in the manufacturing sector. The manufacturing investment cluster comprises the Manufacturing Competitive Enhancement Programme, the Capital Projects Feasibility Programme, Automotive Investment Scheme, the Export Marketing And Investment Assistance Scheme, the Sector-Specific Assistance Scheme and the Section 12I Tax Incentive Scheme.
 - (iii) **Services Investment Incentives** provides incentive programmes that promote increased investment and job creation in the services sector. The programmes include the Business Process Services Programme, and the Film and Television Production Incentive Support Programme for South African and Foreign Productions.
 - (iv) **Infrastructure Investment Support** provides grants for two industrial infrastructure initiatives; the SEZs and Critical Infrastructure Programme, which are aimed at enhancing infrastructure and industrial development, and increasing investment, and export of value-added commodities.
 - (v) **Product and Systems Development** reviews, monitors and develops incentive programmes to support the IPAP, and develops sector strategies to address market failures.
 - (vi) **Strategic Partnership and Customer Care** facilitates access to targeted enterprises by reviewing the success of incentive schemes and improving them where possible.

Strategic Objectives

The Incentive Development and Administration Division aims to promote industrialisation through the expansion of investment and jobs in enterprises approved for incentives. This was achieved in the 2019/20 financial year by targeting projects that not only display high investment potential, but are also labour-intensive, resulting in planned targets being exceeded against the actual achievements for both projected private investment and jobs to be supported. The incentive programmes that contributed significantly to projected investment include the Automotive Incentive Scheme, and the

Black Industrialists Scheme. Other programmes supporting this outcome include the Critical Infrastructure Programme, the Agro-Processing Support Scheme and the Film Incentive.

Programme name: Incentive Development and Administration					
Strategic objectives	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	R30,181 bn	*R18 bn	R32,208 bn	(R14,208 bn)	Approved projects during Quarter 1 and Quarter 2 from AIS, CIP and GBS were capital intensive and resulted in higher projected private sector investment
	47 161	8 000	18 242	(10 242)	Approved projects from AIS, GBS and CIP are projecting to create more jobs
	–	10 000	24 247	(14 247)	Approved AIS projects from major OEM resulted in high number of jobs to be retained
	–	900	510	390	The division experienced a slow down on applications during Quarter 3 and Quarter 4 due to economic challenges that resulted in fewer applications being received

Reasons for all deviations

The division approved a total number of 587 applications/projects across all incentives to the estimated value of R4,8 billion, which will leverage R33 billion projected private sector investment and support more than 43 000 jobs. There was a slowdown of applications in Quarter 3 and Quarter 4 due to economic challenges and the impact of COVID-19 globally, which resulted in some export missions being cancelled. The division is exploring an economic responsive package to assist companies that have been affected by COVID-19, as well as to stimulate investment while rescuing existing jobs.

Performance Indicators

Programme/sub-programme: Incentive Development and Administration

Performance Indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Value (Rand) of projected investments to be leveraged from projects/enterprises approved	R13 bn	R36.8 bn	R30.181 bn	*R18 bn	R32,208 bn	(R14,208 bn)	Approved projects during Quarter 1 and q Quarter 2 from AIS, CIP and GBS were capital intensive and resulted in higher projected private sector investment

Performance Indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Projected number of new jobs supported from enterprises approved	8 059	15 401	16 178	8 000	18 242	(10 242)	Approved projects from AIS, GBS and CIP are projecting to create more jobs
Projected number of jobs to be retained from approved enterprises	34 592	28 209	30 983	10 000	24 247	(14 247)	Approved AIS projects from major OEM resulted in high number of jobs to be retained
Number of enterprises/projects approved for financial support across all incentives	–	848	755	900	510	390	The division experienced a slowdown on applications during Quarter 3 and Quarter 4 due to economic challenges that resulted in fewer applications being received

Reasons for all deviations

The division experienced a slow uptake of applications across all incentives in Quarter 3 and Quarter 4 due to economic challenges and the impact of COVID-19 globally, which resulted in some export missions being cancelled. This resulted in fewer applications being received from companies as well as the cancellation of some approvals.

Strategy to overcome areas of underperformance

The division is exploring an economic responsive package that will assist companies that have been affected by COVID-19 with funding support to stimulate investment while retaining existing jobs. The support will be toward working capital, machinery and equipment.

Changes to planned targets

None

Linking performance with budgets

The programme's expenditure for the 2019/20 financial year compared with the adjusted budget of R5,94 billion was R5,90 billion or 99.4%. When compared with the same period of the 2018/19 financial year, actual expenditure was R5,56 billion or 99.8% of the adjusted budget of R5,57 billion.

This spending of 99.4% should be read within the context of the main cost driver being transfers to companies across the various incentive programmes, which recorded 67.3% of the department's total expenditure.

Furthermore, the expenditure has continued to provide support, aimed at stimulating and facilitating the development of sustainable and competitive enterprises through the efficient provision of effective and accessible incentive measures.

Sub-programme expenditure

	2019/2020			2018/2019		
Sub-programme	Final appropriation	Actual expenditure	(Over)/Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Broadening Participation Incentives	24 956	19 518	5 438	43 049	33 822	9 227
Manufacturing Incentives	3 488 097	3 470 222	17 875	3 326 007	3 325 200	807
Services Investment incentives	815 966	815 531	435	841 456	840 720	736
Infrastructure investment support	1 572 255	1 567 255	5 000	1 329 127	1 328 862	265
Product and Systems Development	16 532	13 544	2 988	13 786	13 779	7
Strategic Partnership and Customer Care	19 517	16 859	2 658	18 276	18 268	8
Total	5 937 323	5 902 929	34 394	5 571 701	5 560 651	11 050

14.7 Programme 7: Trade Investment South Africa

- a) **Purpose:** Support export development and promote exports through targeted strategies and effectively manage a network of foreign offices.
- b) **Description of Sub-programmes**
- (i) **Trade Invest Africa** facilitates deeper and broader bilateral African trade and investment relations with African economies as well as supporting the deepening of regional integration through an outward investment-led trade approach.
 - (ii) **Export Promotion and Marketing** promotes exports of South African value-added goods and services to increase market share in targeted high-growth markets and sustain market share in traditional markets.
 - (iii) **Trade and Investment South Africa Executive Management Unit** promotes trade, and administers and provides corporate services to the department's foreign office network of foreign economic representatives to enable South African businesses to access global markets.
 - (iv) **Export Development and Support** manages the National Exporter Development Programme, which is designed to contribute to positioning South Africa as a reliable trade partner, and improve and expand the country's exporter base.

Strategic Objectives

The division's main contribution is that of enhancing South Africa's export competitiveness, increasing its exporter base, promoting trade and the economic footprint in the rest of Africa, as well as developing a sustainable long-term market-positioning and international trade and investment profile for the country. In this context, Export Development, Promotion and Outward Investments will continue to leverage market opportunities to benefit South Africa's economic development priorities in targeted markets, to ensure that South Africa's exports to conventional markets stabilise and ensure higher export growth to emerging markets. The mandate of promoting the exports of value-added goods and services, within the priority sectors with a view to broadening the export base, anchors the division's work as articulated in the Integrated National Export Strategy (INES). In this regard, a compact and more nuanced INES will be launched. The reviewed INES will focus on four pillars, which include: 1) the enabling environment and global competitiveness, 2) increasing the demand for South African goods and services through market diversification, 3) broadening the exporter base through the National Exporter Development Programme (NEDP), and 4) strengthening strategic export promotion mechanisms through enhancing South Africa's value proposition.

Integrated Approach – AfCFTA

The AfCFTA offers South Africa unique access to one of the fastest-growing regions in the world, and positions the continent to begin developing globally connected regional value chains that will drive Africa's industrialisation and development. Trading under the AfCFTA commenced on 1 July 2020, but realising the potential of the agreement will require a sustained, coordinated effort to overcome barriers and develop joint productive structures across the continent.

the dti's integrated approach recognises the multi-faceted demands of Africa's regional integration, and develops wide-ranging coordination on key policy levers that can unlock opportunities on the continent. Under a revised Africa strategy, the department will take a whole-of-government approach to mobilising South African firms on the continent, coordinating

South Africa's participation in catalytic investment projects, supporting investors seeking a gateway to Africa, and resolving barriers to trade. Partnerships with development finance institutions and state-owned enterprises will unlock crucial trade and investment finance, while new partnership models for cooperation with regional neighbours will act as a channel for more focused and practical bilateral engagements.

Programme name: Trade Investment South Africa					
Strategic objectives	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	R4.425 bn	R4.25 bn	R2.672 bn	Export sales as at the end of February 2020 were collated due to lockdown	March 2020 reports will be collated and verified after the lockdown
	1 023	864	828 companies financially assisted through EMIA	Some trade initiatives were cancelled due to political unrest and COVID-19 pandemic. Cancelled events were OSM Brazil, OSM Algeria and Tunisia, IBM Europe and OSM India	The cancelled events will be prioritised in the 2020/21 financial year

Performance Indicators

Programme/sub-programme: Trade Investment South Africa							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Value of export sales generated	On the spot sales: R322 m After six months sales R3.845 bn Total R4.167 bn	R5.129 bn	R4.425 bn	R4.25 bn	R2.672 bn	Export sales as at the end of February 2020 were collated due to lockdown	March 2020 reports were collated and verified after the lockdown
Number of companies assisted under EMIA in supporting value-added exports	–	656	1 023	864	828 companies financially assisted through EMIA	Some trade initiatives were cancelled due to political unrest and COVID-19 pandemic. Cancelled events are OSM Brazil, OSM Algeria and Tunisia, IBM Europe and OSM India	The cancelled events will be prioritised in the 2020/21 financial year

Reasons for all deviations

South Africa recorded its first case of COVID-19 on 5 March 2020 and the President announced that the country will be on lockdown with effect from 27 March 2020. During that period, other countries were already battling with the COVID-19 pandemic and the rate of infections was on a sharp increase.

As a result, some trade initiatives were cancelled to mitigate the risk of infection, which negatively impacted the number of companies assisted under EMIA in supporting value-added exports. Furthermore, due to lockdown, the March 2020 export sales could not be collated.

Strategy to overcome areas of under performance

The division is currently looking at options to use digital platforms to support and organise trade initiatives.

Changes to planned targets

None

Linking performance with budgets

The programme's expenditure for the 2019/20 financial year, compared with the adjusted budget of R538,3 million, was R505,6 million or 93.9%. When compared with the same period of the 2018/19 financial year, actual expenditure was R460 million or 99.9% of the adjusted budget of R460,8 million.

The expenditure supported the programme's work of export development and promotion through targeted strategies and effective management of a network of foreign offices.

Sub-programme expenditure

Sub-programme	2019/2020			2018/2019		
	Final appropriation	Actual expenditure	(Over)/Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Trade Invest Africa	20 693	20 679	14	21 268	21 263	5
Export Promotion and Marketing	45 591	45 583	8	45 151	44 793	358
Trade and Investment South Africa Executive Management Unit	458 397	425 775	32 622	379 107	379 094	13
Export Development and Support	13 622	13 618	4	15 292	15 044	248
Total	538 303	505 655	32 648	460 818	460 194	624

14.8 Programme 8: Investment South Africa

- a) **Purpose:** Support foreign direct investment flows and promote domestic investment by providing a one-stop shop for investment promotion, investor facilitation and aftercare support for investors.

Description of Sub-programmes

- Investment Promotion** facilitates an increase in the quality and quantity of foreign direct investment, and domestic and outward investment by providing investment attraction, targeted lead generation and recruitment support.
- Investment and Interdepartmental Clearing House** promotes and facilitates investment and provides support services. This sub-programme also provides a specialist advisory service and fast-tracks, unblocks and reduces red tape for investors through an OSS service.
- Investment Support and Aftercare** provides specialist advisory services through research, information marketing, aftercare and policy advocacy to facilitate new investment, and retain and expand existing investment.

Strategic Objectives

The technical working groups consisting of a wide range of stakeholders across various industries achieved significant progress during 2019/20 with the key highlights illustrated below:

Starting a business

- CIPC, UIF, Compensation Fund and SARS implemented a platform referred to as the Biz Portal. The Biz Portal enables one to register their business in one day with no supporting documents required. After registration, one will receive a company registration number, UIF number, Compensation Fund number, company tax number, B-BBEE score and get to open a company bank account.

Dealing with Construction Permits

- The City of Johannesburg as the proxy for South Africa reduced the steps to obtain a construction permit from 20 to eight.

Registering Property

- The City of Johannesburg as the proxy for South Africa implemented a value-add service delivery reform that automates the rates clearance process by allowing attorneys to apply for clearances online on behalf of their customers.

Programme name: Investment South Africa					
Strategic objectives	Actual achievement 2018/2019	Planned Target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Grow the manufacturing sector to promote industrial development, job creation, investment and exports	R249,656 bn	R50 bn	R220 852 bn	Increase investment commitments from the 2nd South Africa Investment Conference 2019. Major green economy and manufacturing investment projects	Consequences of the increased investment mobilisation drive

Performance Indicators

Programme/sub-programme: Investment South Africa							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Value (rand) of investment projects facilitated in pipeline	R58,63 bn	R84,4bn	R249,656 bn	R50 bn	R220 852 bn	Increase investment commitments from the 2nd South Africa Investment Conference 2019. Major Green Economy and Manufacturing investment projects.	Consequences of the increased investment mobilisation drive

Reasons for all deviations

Reasons for deviations are provided in the deviation column above.

Strategy to overcome areas of under performance

No areas of underperformance.

Changes to planned targets

None

Linking performance with budgets

The programme's expenditure for the 2019/20 financial year, compared with the adjusted budget of R66,2 million, was R66,1 million or 99.9%. When compared with the same period of the 2018/19 financial year, actual expenditure was R69,4 million or 88% of the adjusted budget of R78,8 million.

Spending of R66,1 million was towards the programme's work to support foreign direct investment flows and promotion of domestic investment, by providing an OSS for investment promotion, investor facilitation and aftercare support for investors.

Sub-programme expenditure

Sub-programme	2019/2020			2018/2019		
	Final appropriation	Actual expenditure	(Over)/Under expenditure	Final appropriation	Actual expenditure	(Over)/Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Investment Promotion	53 997	53 992	5	56 034	54 621	1 413
Investment and Interdepartmental Clearing House	12 038	12 018	20	22 745	14 738	8 007
Investment Support and Aftercare	159	121	38	16	13	3
Total	66 194	66 131	63	78 795	69 372	9 423

15 TRANSFER PAYMENTS

15.1 Transfer payments to public entities

Name of public entity	Services rendered by the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity	Achievements of the public entity
National Empowerment Fund (NEF)	Promote savings and investments among (HDPs through its retail activities, and fund economic empowerment and black business through its investment division	–	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Gambling Board (NGB)	Provide advice on the national gambling industry, and promote uniform norms and standards across provinces	33 797	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Lotteries Commission (NLC)	Exercise national control over lottery activities	–	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Metrology Institute of South Africa (NMISA)	Support global competitiveness through the provision of fit-for-purpose international acceptable measurement standards and measurements	245 036	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity

Name of public entity	Services rendered by the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity	Achievements of the public entity
South African National Accreditation System (SANAS)	Provide an accreditation system for laboratories, certification, inspection and Good Laboratory Practice (GLP). Establish laboratory, personnel and certification body in South Africa, as well as mutual recognition agreements with international accreditation organisations	31 669	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Credit Regulator (NCR)	Regulate the South African credit industry	86 580	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
Companies and Intellectual Property (CIPC)	Registration of Companies, Co-operatives and IP rights (trademarks, patents, designs and copyright) and maintenance thereof	–	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Consumer Tribunal (NCT)	Adjudicate a variety of applications, and hear cases against credit providers that contravene the Act	56 639	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Regulator for Compulsory Specification (NRCS)	Administer compulsory specifications, otherwise known as technical regulations	139 501	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
National Consumer Commission (NCC)	The NCC is charged with the responsibility to enforce and carry out the functions assigned to it in terms of the Act, which aims to: promote, protect and advance the social and economic welfare of consumers in South Africa by providing leadership, advocacy and a system of rapid redress, thereby creating a fair and accessible consumer marketplace	58 304	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
Companies Tribunal (CT)	The CT may adjudicate in relation to any application that may be made to it, and make any order as provided for in the Companies Act in respect of such an application, and in addition serve as a forum for voluntary alternative dispute resolution	17 352	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity
South African Bureau of Standards (SABS)	Provide for the development, promotion and maintenance of standardisation and quality in connection with commodities and the rendering of related conformity assessment services	420 384	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity

Name of public entity	Services rendered by the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity	Achievements of the public entity
Export Credit Insurance Corporation of South Africa (ECIC)	Facilitate and encourage South African export trade by underwriting export credit loans and investments outside South Africa and enabling South African contractors to secure capital goods and services in other countries	233 511	To be reported in Annual Report of this entity	To be reported in Annual Report of this entity

15.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2019 to 31 March 2020.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred R'000
National Productivity Institute	Departmental agency	Workplace challenge	Yes	30 996
Council for Geoscience	Departmental agency	The objectives underlying the establishment of the CGS are to develop and publish world-class geoscience knowledge products and to render geoscience-related services to the South African public and industry	Yes	1 327
Centurion Aerospace Village	Non-profit institution	Aerospace	Yes	16 357
Council for Scientific and Industrial Research	Public corporation	Fibre and Textile Centre of Excellence, Aerospace Industry support, National Cleaner Production, and National Foundry Technology Network	Yes	95 789
Industrial Development Corporation	Public corporation	Customer Sector Programme, Clothing and Textiles Production Incentive, MCEP Industrial loan	Yes	1 538 399
Intsimbi Future Production Technologies Initiatives	Non-profit institution	Rehabilitation and growth of the tool, die and mould manufacturing industry	Yes	88 341
Protechnik Laboratories	Public corporation	Chemical laboratories	Yes	4 884
World Trade Organisation	International organisation	Membership fee	N/A	14 282
Organisation for the Prohibition of Chemical Weapons	International organisation	Membership fee	N/A	3 008
United Nations Industrial Development Organisation	International organisation	Membership fee	N/A	4 716
World Intellectual Property Organisation	International organisation	Membership fee	N/A	5 779
Proudly South African Campaign	Non-profit institution	Promote the buying of locally manufactured products and services, rolling out national campaigns to create awareness on the economy wide benefits of buying locally manufactured products.	Yes	37 623
Trade and Industrial Policy Strategies	Non-profit institution	Facilitates policy development and dialogue in pursuit of sustainable and inclusive growth	Yes	27 763

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred R'000
Auto Supply Chain Competitive Initiative	Non-profit institution	National non-profit initiative jointly established by government, industry and labour to facilitate, coordinate and oversee supplier competitiveness improvement initiatives in the South African automotive industry and to set the strategic direction for specific practically-oriented competitiveness improvement projects	Yes	8 813
Treaty Organisation for Metrology	International organisation	Intergovernmental treaty organisation addressing legal metrology, including provisions related to units of measurement, to measurement results (e.g. pre-packages) and to measuring instruments	N/A	1 861

The table below reflects the transfer payments budgeted for in the period 1 April 2019 to 31 March 2020, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used (R'000)	Amount budgeted for (R'000)	Amount transferred	Reasons why funds were not transferred
N/A	N/A	N/A	N/A	N/A

16 CONDITIONAL GRANTS

There were no conditional grants for the reporting period.

17 DONOR FUNDS

Donor Funds Received

the dti is the spending agency of the RDP fund as defined in the RDP Act for the European Union Employment Creation Fund. This support contributes to creating equality for the economically marginalised, improving business enabling environment and increasing capacity and skills in the productive sectors of the economy. There are ongoing projects, the continuation of which is subject to the receipt of further funding from the RDP Fund in accordance with the RDP Act.

18 CAPITAL INVESTMENT

During the period under review, the capital investment information is not applicable.





GOVERNANCE



19. INTRODUCTION

The department is fully committed to maintaining the highest standards of governance. The governance structures in the department encompass the Audit Committee, Risk Management Committee (RMC), Ethics Committee and ICT Steering Committees, all held on a quarterly basis. In compliance with the corporate governance principles, the Office of the Chief Risk Officer (OCRO) is tasked with ensuring proper governance through the risk management, ethics, corporate governance and fraud risk management functions.

In addition to the oversight structures, the department holds Executive Board (ExBo) and Operations Committee meetings every six weeks to monitor the progress towards meeting the outcomes of the department. The OCRO continued to operate and meet its mandate despite being severely constrained by insufficient resources, due to all vacant positions being abolished over the previous financial years. Resources have been requested as the mandate of the OCRO was defined as a critical service. The OCRO also provides secretariat services to ExBo and sub-committees.

19.1 Risk management

The department has a Risk Management Policy and Strategy, which guides the function of risk management. Risk registers were developed for each branch and for the strategic outcomes. On a quarterly basis, the OCRO monitors adherence to the interventions identified to manage or mitigate significant risks, in addition to facilitating changes to risk registers. These are reported to the RMC. The unit has assisted the department with the achievement of objectives by risk identification and management processes, thus addressing the residual risks and improving the control environment. Business Continuity Management was facilitated, whereby all branches developed business impact analyses, a recovery site was obtained and the OCRO continued to promote awareness through internal communication.

19.2 Fraud and corruption

the dti is committed to zero tolerance of fraud and corruption. Albeit that there are no resources for fraud-prevention initiatives, the fraud prevention policy and strategy was developed to prevent occurrences of fraud, and assist in driving initiatives to ensure that both employees of **the dti** and the public are encouraged to report any suspicious activities. There is also a strong focus on ethics awareness as a deterrent to incidents of fraud. The National Anti-Corruption Hotline (0800 701 701, toll free) is promoted as part of **the dti**'s initiative of encouraging the reporting of any form of fraudulent and/or corrupt activity. The internal audit function investigates all incidents of fraud and the appropriate action is taken.

19.3 Minimising conflict of interest

In an effort to promote a professional, ethical, dynamic, competitive and customer-focused working environment, the OCRO, working with the absolute minimal resources, facilitated the disclosure of financial interests by members of the SMS process and achieved 100% compliance for the financial year, as reported by the Public Service Commission. The unit also facilitated the disclosure of financial interests of officials below-SMS level and achieved 100% compliance. Verification of the financial disclosures revealed zero instances of conflict of interest.

To further assist and enhance the ethical culture in the department, all employees are required to obtain approval to perform any remunerative work outside the public service and disclose all business interests. This process is facilitated by the OCRO. All such applications are submitted to the Ethics Committee for scrutiny to ensure there are no conflicts of interest before approval can be granted. The Director-General approves/declines all applications. The Ethics Committee, which is held on a quarterly basis, also considers other matters such as gifts and sponsorships in terms of real or potential conflicts of interest.

The CRO continued to promote ethical conduct through internal awareness. The ethics officer provides appropriate guidance to management and staff on all matters that may involve a conflict of interest.

19.4 Code of Conduct

Conduct of employees in the department in terms of the Code of Conduct is regulated in terms of the Disciplinary Framework of Government, the Ethics Management Framework, Fraud Prevention Plan, Fraud Prevention Policy and Strategy. Furthermore, training is provided to employees to focus on ethical conduct as well as the Code of Conduct. The department is committed to uphold the highest standard of professionalism by promoting ethical behaviour, and good conduct that inspires loyalty and integrity in every employee. This is emphasised by the department's Fraud Prevention Policy, which states that the department has a zero tolerance attitude towards fraud.

The department has recognised ethics training as an organisational developmental need for which attempts are under way to secure further training and development from the National School of Government (NSG). The NSG is in the process of implementing a mandatory online Code of Conduct and Ethics training which will be compulsory for all the department's employees.



The Departmental Induction Programme includes a Code of Conduct training module in conjunction with ethics which is provided to all new employees as a standardised approach to orientation. In addition, all new employees are required to sign a Code of Conduct thereby ensuring that all employees are held accountable for any breach of contract thereto.

The specified measures have proven to be highly effective as employees have maintained a general compliance with the departmental rules, regulations, policy frameworks, training and development opportunities. This is evident in the clean audits the department has been acquiring to date. To ensure business continuity and compliance with the specified frameworks for increased operational efficiencies, the department applies a strong stance on the training and development of its employees especially in light of compliance measures. Disciplinary action is taken against employees who are not in compliance

19.5 Health safety and environmental issues

the dti's Operational Health and Safety (OHS) Committee is functioning well and four meetings were held in this period. The DPSA reporting in terms of EHW practices has also been successfully completed. A dedicated service provider to conduct OHS training was appointed and 61 staff received training for the various OHS roles to be performed. Two evacuation drills were completed and no injury on duty cases were reported. The compliance of contractors from the concessionaire in terms of safety procedures have been strictly enforced.

As of mid-March 2020 the lockdown was implemented in accordance with the requirements for COVID-19.

19.6 Environment

The project to install an emergency water supply was completed and implemented.

Some areas did not progress as anticipated due to challenges experienced regarding project execution. Borehole water was enabled for watering of gardens. Savings will, however, be arising due to the lockdown.

Users of information technology have also been encouraged to make use of digital solutions rather than to print documents. This resulted in an increase in the utilisation of Documentum and Co-sign during the past reporting period. The uptake on the utilisation of Microsoft Teams to facilitate virtual meetings was also embraced and supported well by employees. The working from home concept due to the lockdown has contributed in this area towards more efficient use of IT resources and will be promising for the next period.

19.7 Portfolio Committees

the dti Parliamentary Committee Meetings April 2019 to March 2020 <i>[Election year in 2019 and COVID-19 in 2020]</i>	
Portfolio Committee on Trade and Industry 2020	
11 March 2020	Measures to ensure compliance with local content requirements and verification: DTI, NT and SABS briefings; ITAC 2019/20 Quarter 3 performance
10 March 2020	Distribution of funds and 2019/20 Quarter 3 performance: National Lotteries Commission briefing
4 March 2020	Intellectual Property Laws Amendment Act and Indigenous Knowledge Act implementation
3 March 2020	SONA and Budget as it relates to the department: Minister briefing; the dti and EDD 2019/20 Quarter 3 performance
26 February 2020	NMISA and SANAS 2019/20 Quarter 3 performance
25 February 2020	Incentive Report 2018/19 by the dti
18 February 2020	Ease of doing business and One Stop Shop implementation: the dti briefing
Portfolio Committee on Trade and Industry 2019	
27 Nov 2019	Companies Tribunal and CIPC 2018/19 Annual Report and 2019/20 1 st and 2 nd Quarter performance reports
26 Nov 2019	NRCS and SABS on their turnaround strategies; Committee Programme: discussion
19 Nov 2019	Competition Tribunal 2018/19 Annual Report and 2019/20 Quarter 1 and Quarter 2 Performance and Competition Commission 2019/20 Quarter 1 and Quarter 2 Performance
13 Nov 2019	IDC and NEF 2018/19 Annual Reports and 2019/20 2 nd Quarterly Performance Reports
12 Nov 2019	the dti and SASA on Sugar Industry developments; the dti & EDD 2019/20 Quarter 2 performance
05 Nov 2019	B-BBEE and NLC 2018/19 Annual Report and 2019/20 Quarter 2 performance
29 Oct 2019	SACUM-UK EPA Trade Agreement: briefing and ratification, with Minister; Implementation of Competition Amendment Act: briefing
23 Oct 2019	Export Credit Insurance Corporation 2018/19 Annual Report and 2019/20 Quarter 1 performance
22 Oct 2019	NCC 2018/19 Annual Report and 2019/20 Quarter 1 performance
09 Oct 2019	SABS and NRCS 2018/19 Annual Reports & 2019/20 Quarter 1 performance
08 Oct 2019	Audit outcomes of Departments: AGSA briefing; the dti and EDD 2018/19 Annual Reports and 2019/20 Quarter 1 performance
18 Sep 2019	Workshop on African Trade and Regional Integration (TRALAC)
17 Sep 2019	Engagement on Investment Policy and Visit to InvestSA SSS in Cape Town
11 Sep 2019	Overview of existing trade relations and agreements, as well as ongoing trade negotiations
10 Sep 2019	SA Automotive Masterplan; National Credit Amendment Act impact assessment; with Minister
04 Sep 2019	Sugar Industry Status Report
21 Aug 2019	Consumer and Corporate Regulation Division: the dti Induction briefing
17 Jul 2019	Induction on Broadening Participation including the role of the NEF, IDC and B-BBEE Commission
16 Jul 2019	Induction briefing on Trade, Investment, and Exports covering roles of ITED, ISA, and TISA
09 Jul 2019	Induction briefing on Industrial Development including the role of IDD, IDF and ITAC, IDC, Competition Commission
04 Jul 2019	Minister on response to SONA, the dti and EDD 2019/20 Annual Performance Plans



Trade and industry, economic development, small business development, tourism, employment and labour 2019

26 Nov 2019	National Empowerment Fund (NEF) 2018/19 Annual Report
05 Nov 2019	Economic Partnership Agreement (EPA) between SACU; Mozambique (together SACUM) and United Kingdom (UK) [SACUM-UK EPA]
29 Oct 2019	the dti 2018/19 Annual Report; SACUM-UK EPA Trade Agreement
23 Jul 2019	Department of Trade and Industry Budget Vote 34 and 2019/20 Annual Performance Plan
16 Jul 2019	National Gambling Bill [B27B-2018]: briefing
10 Jul 2019	EDD 2019/20 Annual Performance Plan

19.8 ICT Governance

Corporate Governance

the dti OCIO aligns to the Corporate Governance of ICT Policy Framework (CGICTPF) that was developed by the DPSA in collaboration with the Government Information Technology Officer Council (GITOC) and the AG.

The Corporate Governance of ICT is a function that is embedded in all operations of a department, from Director-General and executive management level to the business and ICT service delivery. Management Performance Tool (MPAT) is used every year to assess the compliance and maturity of ICT Governance in the government departments based on the principles of CGICTPF. There was no MPAT assessment performed in 2019/20 on ICT Governance, however, OCIO focused on continuous improvement based on previous results.

ICT Compliance and Audits

The following **the dti** OCIO policies and plans were reviewed and aligned to the current **the dti** environment: Corporate Governance of ICT Policy and Charter; IT Service Continuity Plan (Disaster Recovery); and ICT Security Policy. **the dti** also ensured compliance with the Promotion of Access to Information Act (PAIA), Promotion of Administrative Justice Act (PAJA) and other legislative acts related to ICT. **the dti** OCIO received audit findings in 2019/20 from the Auditor-General and **the dti** IA's report, which are being addressed.

19.9 SCOPA RESOLUTIONS

The department did not appear before the Standing Committee on Public Accounts (SCOPA) in 2019/20.

Resolution no.	Subject	Details	Response by the department	Resolved (yes/no)
N/A				

19.10 PRIOR MODIFICATIONS TO AUDIT REPORTS

No prior modifications to audit report.



19.11 Internal Control Unit

Systems of internal control are designed to provide cost-effective assurance that assets are safeguarded, and that liabilities and working capital are efficiently and effectively managed.

In line with the PFMA and King IV, the Internal Audit unit provides the Audit Committee and management with assurance that internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective actions and suggested enhancements to controls and processes. The RMC monitors and oversees the control of risk areas throughout **the dti**.

19.12 Internal Audit and Audit Committees

The Internal Audit Unit continued to increase its audit coverage in line with identified risks, and performed more specialist audits in areas such as performance, IT and corporate governance. The majority of the audits focused on incentive administration. The Internal Audit Unit had to take on additional audits: Auditing the APP targets (performance information) per quarter for nine divisions as per request from management. The unit completed its third external validation of the Internal Audit Unit's quality control in line with the IIA Standards and received its third year Generally Confirm (GC) rating. No significant areas of improvement were found.

The Internal Audit Unit continued to operate with minimal resources due to promotions to other departments and government financial constraints over the last two financial years. However, the situation will improve in the next financial year, where the Internal Audit resources from EDD and **the dti** will merge to be **the dtic** Internal Audit. There has also been approval to fill five more posts in the unit as audit services has been defined as a critical service. The IA enabled **the dti** and some of its entities to improve internal and risk management controls, as well as corporate governance processes. PWC rendered co-sourced specialist audit services to the value of +/-R1 million. No forensic work was outsourced for the 2019/20 financial year.

For the reporting period under review, the Internal Audit Unit spent an estimated 12 200 direct hours (including in-house forensic investigations of 4 582 hours) on audit work at **the dti**. During the period, internal audit reports including (bi-annual reviews for the 13 entities), forensic audit reports and forensic case assessments were issued to management and presented to the Audit Committee as at the end of March 2020.

The Audit Committee is an independent body that reports to the Minister, via the Director-General and has provided a structured, systematic oversight of the organisation's governance, risk management and internal control practices. The overall objective of the Audit Committee is to assist the Director-General and divisional management to discharge their duties within the department. The committee also assisted the Director-General and management by providing advice and guidance on the adequacy of the organisation's responsibilities with regards to:

- safeguarding of assets;
- operation of adequate procedures and controls;
- financial reporting processes;
- systems of internal control over financial reporting;



- management of risks;
- review of financial statement; and
- oversight in respect of monitoring compliance with laws and regulations and the code of conduct.

The Audit Committee does not relieve the dti management of any of its responsibilities. The implementation of the foregoing activities still remains the sole responsibility of management.

The table below discloses relevant information on the Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr Sikkie Kajee (Chairperson)	Chartered Director (SA), MBA, CIA, FCIS and BCompt (Hons)	External	N/A	31/08/2013	N/A	4
Ms Rene van Wyk	CA (SA), MBA and B Compt (Hons & CTA)	External	N/A	04/09/2013	N/A	4
Ms Simangele Sekgobela	MSc Economics, BCom Hons in Economics, B Com, Certificate in Corporate Governance, a Senior Secondary Teacher's Certificate, Executive Leadership Programme certificate.	External	N/A	27/06/2017	N/A	4
Dr Prittish Dala	PhD (IT), M.IT, BSc Hons in Computer Science, B.IT, CISA, CISM, CISSP, CRISC, CGEIT, CEH, CHFI and LA27001.	External	N/A	27/06/2017	N/A	4
Mr Lionel October	Master of Science Economics, Bachelor of Arts Honours. B Iuris	Internal	Director- General	01/05/2011	N/A	4

20. AUDIT COMMITTEE REPORT

Audit Committee Responsibility

In line with its strategic commitment to be a well-governed national department, **the dti** strives for effective oversight and monitoring of its governance regime. Vital to the achievement of this aim, is a competent and independent Audit Committee. We are pleased to present our report for the financial year ended 31 March 2020.

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.8 and 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The committee is pleased to further report that it has complied with its responsibility arising from its terms of reference, including relevant legislative requirements. The committee also formalised an annual work plan that assists in carrying out its responsibilities and monitoring progress. The committee and relevant stakeholders also completed an annual committee assessment to evaluate the efficiency and effectiveness of the committee.

For the financial year ended 31 March 2020, the Audit Committee conducted separate meetings with the assurance providers and reviewed the following:

- Quarterly financial statements and performance reports;
- Unaudited Annual Financial Statements before submission to the Auditor-General South Africa (AGSA);
- The appropriateness of accounting policies and procedures;
- The effectiveness of the system of risk management;
- Compliance with relevant laws and regulations;
- The system of IT governance;

- The Annual Report and report on predetermined objectives prior to submission to the AGSA and final publication;
- The plans, work and reports of IA and the AGSA;
- The IA and Audit Committee Charters;
- The internal audit three-year plan and operational plan;
- The internal audit reports and outcomes; and
- The AGSA report and audit opinion.

During the year under review, four Audit Committee meetings were held. The table below discloses relevant information on the Audit Committee members:

Name	Internal or external	Position	No. of meetings attended
Mr Sikkie Kajee	External	Chairperson	4
Ms Rene van Wyk	External	Member	4
Ms Simangele Sekgobela	External	Member	4
Dr Pritish Dala	External	Member	4
Mr Lionel October	Internal	Member (DG)	4

Effectiveness of Internal Control

The systems of internal control are designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed.

The committee has considered the work performed by the IA on a quarterly basis and IA tracking of outstanding audit findings also quarterly.

In line with the PFMA requirements, IA provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

Our review of the findings of the IA work, which was based on the risk assessments conducted in the department that revealed certain control weaknesses, which were then raised with the department.

The following IA work completed during the year under review consists of 103 audit reports and memoranda in the following categories:

Type of audit	Number	Frequency
Compliance audits	11	Annually
Performance audits	6	
IT audits	6	
Performance information audits (9 divisions)	45	Quarter 1, 2, 3, 4 and annual
Follow-ups:		
Compliance audits	3	Quarter 2 and 4
Performance audits	3	Quarter 1 and 3
IT audits	3	Quarter 1 and 3
Quarterly CAE Entity Forum memoranda (13 entities)	26	Quarter 1 and 3
Total	103	

NB: Five audits were deferred (delay in systems/processes of the auditable area), and four audits were cancelled due to either the risk rating in the auditable area having been reduced as well as the loss of six internal audit staff between Quarter 2 and Quarter 3 due to promotions.

The following were areas of concern, in that the controls require certain improvement:

- Certain incentive administration processes;
- Monitoring of certain ECF projects;
- Administration of the one stop shops;
- Contingent liability reconciliations;



- Delays in finalising labour relations matters and their financial impact;
- Finalising and implementing the business continuity plan; and
- Control environment from an ICT security perspective.

Resolution of Internal Control Weaknesses

The follow-up IA processes indicated that management is instituting adequate corrective action to address control weaknesses identified.

Overall the Audit Committee is satisfied with the quality and timing of management responses. This is a reflection of the quality of both management and IA. The Audit Committee is of the view that management is appropriately balancing delivery and continuous improvement.

Integrated Assurance

The Audit Committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that these were adequate to address all significant financial risks facing the business.

The IA unit also developed for the department and its entities an Integrated Assurance Strategy and Implementation Plan during 2016/17 and 2017/18 and these have been implemented during the 2018/19 financial year going forward. IA has monitored this in the review of the entities' quarterly reports.

Internal Audit Effectiveness

IA forms part of the third line of assurance as set out in the Integrated Assurance Strategy and engages with the first and second lines of assurance to identify and facilitate the escalation of key control breakdowns.

The IA department has a functional reporting line to the Audit Committee (via the Chairperson) and an administrative reporting line to the Director-General. The Audit Committee, with respect to its evaluation of the adequacy and effectiveness of internal controls, governance and risk management, receives reports from IA on a quarterly basis, assesses the effectiveness of IA function, and reviews and approves the IA operation, coverage and three-year plans.

The Audit Committee is responsible for ensuring that **the dti's** IA function is independent and has the necessary resources, standing and authority within **the dti** to enable it to discharge its duties. The Audit Committee approved the IA function, Internal Audit coverage and three-year rolling plans.

The Audit Committee monitored and challenged, where appropriate, action taken by management with regard to significant IA findings.

The Audit Committee has overseen a process by which IA has performed audits according to a risk-based audit plan where the adequacy and effectiveness of risk management, governance, and internal controls were evaluated. These evaluations were the main input considered by the Audit Committee in reporting on the effectiveness of internal controls.

The Audit Committee is satisfied with the independence and effectiveness of the IA function. During the 2019/20 financial year, additional actions were implemented to ensure the IA function is adequately resourced. The unit has experienced a loss of audit resource capacity, which has impacted the range of services it can provide to the department. In the short-term, such resources can be obtained from external service providers and a longer term solution to recruit replacement resources will be necessary within the framework of government's austerity measures.

The Audit Committee wishes to congratulate the IA department for maintaining its General Conformance rating during the independently-conducted external quality assurance review that was done during the financial year. It should be noted that this is the third external quality assurance undergone by **the dti** IA unit, since the 2010 financial year.

In-Year Management and Monthly/Quarterly Report

The department has been reporting monthly and quarterly to the Treasury as required by the PFMA.

Evaluation of Financial Statements

We have reviewed the Annual Financial Statements prepared by the department. The Audit Committee had the opportunity to review the final Annual Financial Statements before and after the AGSA review and discussed them with management. The Audit Committee noted the following:

- Assurance provided by management in terms of financial status, fair representation, state of the control environment and quality assurance processes in relation to the audited Annual Financial Statements;
- The accounting policies and practices applied are appropriate;
- We are satisfied that, based on accounting conventions; the financial statements reflect a well-run organisation; and
- Management takes the comments by IA and AGSA seriously and is committed about taking the appropriate corrective action.

The Audit Committee wishes to congratulate the management team of **the dti** and the Director-General, especially those in the areas of finance, performance and internal audit services, on their continued commitment to the improvement of the internal control environment of **the dti**.

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the annual report with the AGSA and the Accounting Officer;
- reviewed the AGSA management report and management's responses thereto;
- reviewed changes in the accounting policies and practices; and
- reviewed the department's compliance with legal and regulatory provisions.

Mr SAH Kajee

Chairperson of the Audit Committee

Date: 30 September 2020

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HUMAN RESOURCES MANAGEMENT



21. INTRODUCTION

21.1 OVERVIEW OF HUMAN RESOURCE

Based on various identified priorities, the department was supported through various organisational redesign, recruitment, talent management, performance management, human resource development, health and wellness, transformation and organisational development initiatives.

The current structure of **the dti** provides for 1 228 approved positions of which 1 153 were filled and 75 were vacant on 31 March 2020, leaving the department with a vacancy rate of 6.1%. This excludes the positions in respect of the two political office bearers. The reduction of the vacancy rate is still an important focus area. Due to the constraints in the compensation of employees budget as well as NMOG process, a moratorium was placed on filling vacancies during the financial year and later lifted, but only priority positions are being filled. There is, however, still a hold on the filling of positions in programmes.

In respect of employees permanently appointed to the establishment, a turnover rate of 3% was reported. This resulted in a retention rate of 97% which brings stability to the workforce.

In terms of transformation, the status of people with a disability is 3.9% and exceeds the national target of 2%, while that of women in senior management is 54% against the Cabinet target of 50%.

A total of 978 participants attended training interventions and 214 employees are in the process to further their studies through the departmental bursary programme.

The kind of exposure that employees of **the dti** get in participating in formal training programmes as well as other training initiatives such as the Women Development Programme, supports the view of the department being regarded as an employer of choice.

Various employees engaged in the employee wellness service. More employees accessing the service suggests an overall acceptance of responsibility for own wellness. Monthly health screenings are taking place. There is also a focus on physical wellness of employees while quarterly workshops skill employees in managerial referrals, relationship management, etc.

Productivity of employees are monitored and reported on. The productivity rate of 94% as at end of March 2019 suggests no excessive use of leave by employees.

The status of performance agreements as at the end of March 2020 was 97.8% and is indicative of a well-managed performance management system where employees are recognised for good performance whether through cash awards or notch increases.

the dti has responded to the seismic shift to lead the 4th Industrial Revolution by creating the APAT (Annual Performance Agreement Template) software or "Application – APP". The APAT was created by our employees from the Chief Directorate: Human Resources and Learning Centre to improve yields, reduce waste and shorten completion cycles through digitalisation. By digitalising the various functions within Human Resource Management and Development, several benefits, both tangible and intangible, are created for our employees. In turn, we encourage our employees to work smarter focusing on the key goals of the department as opposed to mundane and routine administrative tasks. Some of the benefits include:

- zero risk of misplacing documents;
- electronic completion of templates;
- electronic monitoring of performance which is a geo-based system;
- instant access to documentation;
- huge savings on consumables (paper, printers and cartridges);
- instant uploading of evidence;
- quicker time frames for processing PM outcomes;
- smart and intelligent management reporting;
- implement the legislative and regulatory framework in smarter ways;
- promote savings in terms of time and effort by both the employee and manager; and
- the innovation uses best practice because it follows the business practices and vernacular of the public sector – the APAT is developed using a software language and infrastructure matching the business needs vs. those of a 'mass market' nature that may not be compatible.

Forty-eight senior managers were exposed to a leadership coaching initiative, consisting of six individual sessions with a coach as well as two group coaching sessions. During the coaching sessions the focus has been placed on the living of the departmental values of Quality Relationships (the improvement of day-to-day relationships), Intellectual Excellence (knowledge and information management as well as development of the self) and Operational Excellence (improvement of work).

the dti supports a healthy working relationship with organised labour with a view to promote good relations with employees. Various consultations have been taking place at the Departmental Bargaining Chamber and these would continue going forward.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel-related expenditure

The following tables summarise the final audited personnel-related expenditure by programme and salary bands. In particular, it provides an indication of the following:

- amount spent on personnel; and
- amount spent on salaries, overtime, homeowner's allowances, and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2019 to 31 March 2020

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	807 745	288 160	3 032	39 735	35.7%	684
International Trade and Economic Development	124 332	81 828	63	326	65.8%	751
Special Economic Zones and Economic Transformation	156 300	81 295	0	3 975	52.0%	1 114
Industrial Development	2 076 606	109 811	0	235	5.3%	563
Consumer and Corporate Regulation	329 908	54 923	0	838	16.7%	410
Incentive Development and Administration	5 902 929	139 305	0	6 246	2.4%	1 436
Trade and Investment South Africa	505 655	197 721	1 344	128	39.1%	1 364
Investment South Africa	66 131	42 172	0	1 331	63.8%	680
Total	9 969 606	995 215	4 439	52 814	10.0%	805

Table 3.1.2 Personnel costs by salary band for the period 1 April 2019 to 31 March 2020

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	296	0.0%	2	148
Skilled (levels 3-5)	22 902	2.3%	91	252
Highly skilled production (levels 6-8)	142 054	14.3%	367	387
Highly skilled supervision (levels 9-12)	486 317	48.9%	560	868
Senior and top management (levels 13-16)	343 646	34.5%	216	1 591
Total	995 215	100.0%	1 236	805

Table 3.1.3 Salaries, overtime, homeowner's allowance and medical aid by programme for the period 1 April 2019 to 31 March 2020

Programme	Salaries		Overtime		Homeowner's allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	198 716	69.0%	1 202	0.4%	4 148	1.4%	9 116	3.2%
International Trade and Economic Development	56 556	69.1%	0	0.0%	681	0.8%	1 989	2.4%
Special Economic Zones and Economic Transformation	55 747	68.6%	22	0.0%	859	1.1%	1 741	2.1%
Industrial Development	75 624	68.9%	0	0.0%	916	0.8%	2 095	1.9%
Consumer and Corporate Regulation	38 079	69.3%	0	0.0%	538	1.0%	1 419	2.6%
Incentive Development and Administration	97 379	69.9%	13	0.0%	1 815	1.3%	4 235	3.0%
Trade and Investment South Africa	72 979	36.9%	0	0.0%	1 145	0.6%	2 917	1.5%
Investment South Africa	29 752	70.5%	24	0.1%	441	1.0%	902	2.1%
Total	624 832	62.8%	1 261	0.1%	10 543	1.1%	24 414	2.5%

Table 3.1.4 Salaries, overtime, homeowner's allowance and medical aid by salary band for the period 1 April 2019 to 31 March 2020

Salary band	Salaries		Overtime		Home-owner's allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (levels 1-2)	88	29.7%	0	0.0%	0	0.0%	0	0.0%
Skilled (levels 3-5)	13 533	59.1%	60	26.2%	945	4.1%	1 056	4.6%
Highly skilled production (levels 6-8)	93 817	66.0%	493	34.7%	5 268	3.7%	9 872	6.9%
Highly skilled supervision (levels 9-12)	304 681	62.7%	708	14.6%	3 849	0.8%	10 288	2.1%
Senior management (levels 13-16)	212 713	61.9%	0	0.0%	481	0.1%	3 198	0.9%
Total	624 832	62.8%	1 261	0.1%	10 543	8.8%	24 414	14.6%

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts in the establishment, the number of employees, the vacancy rate, and whether there are any staff members that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below)

Departments have identified critical occupations that must be monitored. In terms of current regulations, it is possible to create a post that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are vacant.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2020

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administration	424	398	6%	22
Special Economic Zones and Transformation	114	104	9%	5
Consumer and Corporate Regulation	70	61	13%	4
Incentive Development and Administration	193	185	4%	9
Industrial Development	132	124	6%	5
International Trade and Economic Development	95	90	5%	1
Trade and Investment South Africa	140	134	4%	6
Investment South Africa	60	57	5%	5
Total	1228	1153	6%	57

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2020

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (levels 1-2)	1	1	0%	0
Skilled (levels 3-5)	59	58	2%	48
Highly skilled production (levels 6-8)	369	353	4%	1
Highly skilled supervision (levels 9-12)	569	540	5%	3
Senior management (levels 13-16)	230	201	13%	5
Total	1228	1153	6%	57

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2020

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administrative related, permanent	152	147	3%	48
Cleaners in offices, workshops, hospitals, etc., permanent	1	1	0%	0
Communication and information related, permanent	5	5	0%	0
Economists, permanent	5	5	0%	0
Finance and economics related, permanent	49	44	10%	0
Financial and related professionals, permanent	5	5	0%	0
Financial clerks and credit controllers, permanent	1	1	0%	0
Food services aids and waiters, permanent	9	9	0%	1
General legal administration and related professionals, permanent	3	3	0%	0
Head of department/chief executive officer, permanent	1	1	0%	0
Household and laundry workers	3	3	0%	0
Human resources and organisational development and related professionals, permanent	1	1	0%	0
Human resources clerks, permanent	0	0	0%	0
Human resources related, permanent	40	36	10%	0
Information technology related, permanent	27	26	4%	0
Legal related, permanent	11	10	9%	0
Librarians and related professionals, permanent	0	0	0%	0
Library, mail and related clerks, permanent	19	19	0%	0
Light vehicle drivers, permanent	3	3	0%	1
Logistical support personnel, permanent	19	18	5%	0
Messengers, porters and deliverers, permanent	5	5	0%	0
Other administrative and related clerks and organisers, permanent	24	23	4%	1
Other information technology personnel	3	3	0%	0
Other occupations, permanent	2	2	0%	0
Risk management and security services, permanent	0	0	0%	0
Secretaries and other keyboard operating clerks, permanent	126	118	6%	0
Security officers, permanent	17	16	6%	0
Senior managers, permanent	229	200	13%	5
Statisticians and related professionals, permanent	1	0	100%	0
Trade and industry advisers and other related professionals, permanent	467	449	4%	1
Total	1228	1153	6%	57

Notes

The CORE classification, as prescribed by the Department of Public Service and Administration (DPSA), should be used for completion of this table.

Critical occupations are defined as occupations or sub-categories within an occupation –

- in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;

- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of senior management service posts

The tables in this section provide information on employment and vacancies as it relates to members of the senior management service (SMS) by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2020

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ head of department	1	1	100%	0	0%
Salary level 16	1	1	0%	0	0%
Salary level 15	11	10	90%	1	9%
Salary level 14	57	51	88%	6	11%
Salary level 13	160	138	84%	22	14%
Total	230	201	86%	29	13%

Table 3.3.2 SMS post information as on 30 September 2019

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ head of department	1	1	100%	0	0%
Salary level 16	1	1	0%	0	0%
Salary level 15	11	10	90%	1	9%
Salary level 14	57	52	90%	5	9%
Salary level 13	161	149	92%	12	7%
Total	231	213	92%	18	8%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2019 to 31 March 2020

SMS Level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ head of department	0	0	0
Salary level 16	0	0	0
Salary level 15	0	0	0
Salary level 14	4	0	3
Salary level 13	8	0	2
Total	12	0	5

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts: Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2019 to 31 March 2020

Reasons for vacancies not advertised within 6 months
Moratorium on the filling of posts in place due to budget constraints. Posts only advertised after approval was obtained to fill certain priority posts.
Reasons for vacancies not filled within 12 months
Moratorium on filling of posts which resulted in posts being vacant for long periods of time before being triggered and/or filled as recruitment processes were placed on hold.

Notes

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2019 to 31 March 2020

Reasons for vacancies not advertised within 6 months
None
Reasons for vacancies not filled within 6 months
None

Notes

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A (1) or (2) of the Public Service Act.

3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were up- or downgraded.

Table 3.4.1 Job evaluation by salary band for the period 1 April 2019 to 31 March 2020

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts down-graded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1-2)	1	0	0%	0	0	0	0
Skilled (levels 3-5)	59	0	0%	0	0	0	0
Highly skilled production (levels 6-8)	369	0	0%	0	0	0	0
Highly skilled supervision (levels 9-12)	569	1	0.2%	0	0	0	0
Senior management service Band A	160	0	0%	0	0	0	0
Senior management service Band B	57	0	0%	0	0	0	0
Senior management service Band C	11	0	0%	0	0	0	0
Senior management service Band D	2	0	0%	0	0	0	0
Total	1228	1	0.1%	0	0	0	0

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2019 to 31 March 2020

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2019 to 31 March 2020

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Administrative related	1	6	7	Out of adjustment (foreign economics officers), grade progression, JE, grievance settlement and retentions
Administrative related	3	7	8	
Administrative related	1	7	9	
Administrative related	1	7	10	
Administrative related	1	8	9	
Administrative related	1	8	10	
Administrative related	1	9	10	
Administrative related	2	10	11	
Administrative related	9	11	12	
Communication and information related	1	11	12	
Finance and economics related	2	8	9	
Human resources related	1	8	10	
Human resources related	2	9	10	
Human resources related	2	11	12	
Information technology related	5	6	8	
Information technology related	1	9	12	
Library mail and related clerks	1	7	8	
Logistical support personnel	2	6	7	
Other administration and related clerks and organisers	1	10	12	
Other information technology personnel	1	9	10	
Secretaries and other keyboard operating clerks	1	6	7	
Secretaries and other keyboard operating clerks	2	7	8	
Secretaries and other keyboard operating clerks	1	8	9	
Secretaries and other keyboard operating clerks	1	9	10	
Secretaries and other keyboard operating clerks	1	11	12	
Security officers	1	6	7	
Security officers	1	7	9	
Security officers	1	11	12	
Senior managers	4	13	14	
Senior managers	2	14	15	
Trade/industry advisers and other related professions	1	8	9	
Trade/industry advisers and other related professions	1	8	12	
Trade/industry advisers and other related professions	4	9	10	
Trade/industry advisers and other related professions	6	10	11	
Trade/industry advisers and other related professions	1	10	12	

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Trade/industry advisers and other related professions	2	10	13	
Trade/industry advisers and other related professions	17	11	12	
Trade/industry advisers and other related professions	12	11	13	
Trade/industry advisers and other related professions	2	11	14	
Trade/industry advisers and other related professions	4	12	13	
Total	104	–	–	
Total number of employees whose salaries exceeded the level determined by job evaluation	1 153			
Percentage of total employed	9%			

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2019 to 31 March 2020

Gender	African	Asian	Coloured	White	Total
Female	30	6	1	12	49
Male	41	6	2	6	55
Total	71	12	3	18	104

Employees with a disability	2	2	0	2	6
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3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2019 to 31 March 2020

Salary band	Number of employees at beginning of period-1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (levels 1-2)	2	0	0	0%
Skilled (levels 3-5)	54	1	4	7%
Highly skilled production (levels 6-8)	366	2	14	4%
Highly skilled supervision (levels 9-12)	552	5	22	4%
Senior management service Band A	145	1	12	8%
Senior management service Band B	52	3	3	6%
Senior management service Band C	10	0	0	0%
Senior management service Band D	0	0	0	0%
Contracts	80	19	38	48%
Total	1 261	31	93	7%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2019 to 31 March 2020

Critical occupation	Number of employees at beginning of period-April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, permanent	227	8	40	18%
Cleaners in offices, workshops, hospitals, etc., permanent	1	0	0	0%
Communication and information related, permanent	2	0	0	0%
Economists, permanent	5	0	0	0%
Finance and economics related, permanent	53	0	6	11%
Financial and related professionals, permanent	6	0	0	0%
Financial clerks and credit controllers, permanent	0	1	0	0%
Food services aids and waiters, permanent	10	0	0	0%
General legal administration and related professionals, permanent	2	0	0	0%
Head of department/chief executive officer, permanent	1	0	0	0%
Household and laundry workers	0	3	0	0%
Human resources and organisational development and related professionals, permanent	2	0	0	0%
Human resources clerks, permanent	1	0	0	0%

Critical occupation	Number of employees at beginning of period-April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Human resources related, permanent	41	0	5	12%
Information technology related, permanent	23	0	2	9%
Legal related, permanent	8	0	0	0%
Librarians and related professionals, permanent	0	0	0	0%
Library, mail and related clerks, permanent	20	0	0	0%
Light vehicle drivers, permanent	3	0	0	0%
Logistical support personnel, permanent	18	0	1	6%
Messengers, porters and deliverers, permanent	6	0	1	17%
Other administrative and related clerks and organisers, permanent	20	0	1	5%
Other information technology personnel	2	0	0	0%
Other occupations, permanent	3	0	0	0%
Risk management and security services, permanent	1	0	1	0%
Secretaries and other keyboard operating clerks, permanent	121	1	5	4%
Security officers, permanent	17	1	2	12%
Senior managers, permanent	213	11	17	8%
Statisticians and related professionals, permanent	1	0	0	0%
Trade and industry advisers and other related professionals, permanent	454	6	12	3%
Total	1261	31	93	7%

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Critical occupations are defined as occupations or sub-categories within an occupation –

- (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

The table on the next page identifies the major reasons why staff left the department.

Table 3.5.3 Reasons why staff left the department for the period 1 April 2019 to 31 March 2020

Termination type	Number	% of Total resignations
Death	3	3%
Resignation	40	43%
Expiry of contract	30	32%
Dismissal – operational changes	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill health	2	2%
Retirement	6	6%
Early retirement	1	1%
Transfer to other public service departments	11	12%
Other	0	0%
Total	93	
Total number of employees who left as a % of total employment	7%	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2019 to 31 March 2020

Occupation	Employees 1 April 2020	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related, permanent	227	0	0%	96	42%
Cleaners in offices, workshops, hospitals, etc., permanent	1	0	0%	0	0%
Communication and information related, permanent	2	0	0%	3	150%
Economists, permanent	5	0	0%	3	60%
Finance and economics related, permanent	53	1	2%	34	64%
Financial and related professionals, permanent	6	0	0%	3	50%
Financial clerks and credit controllers, permanent	0	0	0%	0	0%
Food services aids and waiters, permanent	10	0	0%	0	0%
General legal administration and related professionals, permanent	2	0	0%	1	50%
Head of department/chief executive officer, permanent	1	0	0%	0	0%
Human resources and organisational development and related professionals, permanent	2	0	0%	0	0%
Human resources clerks, permanent	1	0	0%	0	0%
Human resources related, permanent	41	0	0%	24	0%
Information technology related, permanent	23	0	0%	21	91%
Legal related, permanent	8	0	0%	6	75%
Librarians and related professionals, permanent	0	0	0%	0	0%

Occupation	Employees 1 April 2020	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Library, mail and related clerks, permanent	20	0	0%	15	75%
Light vehicle drivers, permanent	3	0	0%	4	133%
Logistical support personnel, permanent	18	0	0%	17	94%
Messengers, porters and deliverers, permanent	6	0	0%	0	0%
Other administrative and related clerks and organisers, permanent	20	0	0%	2	10%
Other information technology personnel	2	0	0%	3	150%
Other occupations, permanent	3	0	0%	0	0%
Risk management and security services, permanent	1	0	0%	0	0%
Secretaries and other keyboard operating clerks, permanent	121	1	1%	87	72%
Security officers, permanent	17	0	0%	7	41%
Senior managers, permanent	213	4	2%	143	67%
Statisticians and related professionals, permanent	1	1	100%	0	0%
Trade and industry advisers and other related professionals, permanent	454	2	0%	340	75%
Total	1261	9	1%	809	64%

Table 3.5.5 Promotions by salary band for the period 1 April 2019 to 31 March 2020

Salary band	Employees 1 April 2020	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (levels 1-2)	2	0	0%	0	0%
Skilled (levels 3-5)	54	0	0%	20	37%
Highly skilled production (levels 6-8)	366	1	0%	273	75%
Highly skilled supervision (levels 9-12)	552	3	1%	357	65%
Senior management (levels 13-16)	207	5	2%	155	75%
Contracts	80	0	0%	4	0%
Total	1261	9	1%	809	64%

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	64	16	8	12	62	8	20	14	204
Professionals	233	11	7	12	266	10	20	19	578
Technicians and associate professionals	81	5	2	1	122	8	3	10	232
Clerks	25	0	0	0	117	4	0	9	155
Service and sales workers	3	1	2	1	8	0	0	1	16
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	2	1	0	0	0	0	0	0	3
Labourers and related workers	4	0	0	0	17	1	0	0	22
Total	412	34	19	26	592	31	43	53	1210
Employees with disabilities	18	0	1	2	18	1	3	4	47

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	2	2	0	5	1	0	0	12
Senior management	60	12	5	14	65	8	23	13	200
Professionally qualified and experienced specialists and mid-management	207	14	9	7	200	12	15	24	488
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	92	4	2	3	249	8	5	15	378
Semi-skilled and discretionary decision making	22	1	0	0	35	1	0	0	59
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
Contract	29	1	1	2	37	1	0	1	72
Total	412	34	19	26	592	31	43	53	1 210

Table 3.6.3 Recruitment for the period 1 April 2019 to 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	2	0	0	1	1	0	0	0	4
Professionally qualified and experienced specialists and mid-management	1	0	0	0	4	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	0	0	0	1	0	0	0	2
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract	7	0	1	0	9	2	0	0	19
Total	11	0	1	1	16	2	0	0	31
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2019 to 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	4	1	0	0	5
Professionally qualified and experienced specialists and mid-management	1	0	0	0	1	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	0	0	0	1	0	0	0	2
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making									
Contract	0	0	0	0	0	0	0	0	0
Total	2	0	0	0	6	1	0	0	9
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2019 to 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	4	0	0	3	7	0	0	1	15
Professionally qualified and experienced specialists and mid-management	8	0	1	1	5	0	1	2	18
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	7	0	0	0	6	2	0	2	17
Semi-skilled and discretionary decision making	1	0	0	0	4	0	0	0	5
Unskilled and defined decision making	19	0	1	0	16	2	0	0	38
Contract	39	0	2	4	38	4	1	5	93
Total	0	0	0	1	0	0	0	1	2
Employees with disabilities	0	0	0	1	0	0	0	1	2

Table 3.6.6 Disciplinary action for the period 1 April 2019 to 31 March 2020

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Correctional counselling	0	0	0	0	0	0	0	0	0
Verbal warning	3	0	0	0	1	0	0	0	4
Written warning	0	1	0	0	1	1	1	0	4
Final written warning	9	0	0	0	9	0	2	1	21
Suspended without pay	0	0	0	0	0	0	0	0	0
Pending	6	1	1	0	6	0	0	0	14
Demotion	0	0	0	0	0	0	0	0	0
Dismissal	0	0	0	0	0	0	0	0	0
Not guilty	0	0	0	0	0	0	0	0	0
Case withdrawn	0	0	0	0	1	1	0	0	2
Total	18	2	1	0	18	2	3	1	45

Table 3.6.7 Skills development for the period 1 April 2019 to 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	28	3	2	9	46	8	12	15	123
Professionals	112	6	4	7	162	4	9	6	310
Technicians and associate professionals	132	1	4	2	174	5	1	11	330
Clerks	51	0	0	0	95	8	0	13	167
Service and sales workers	9	2	1	1	18	0	0	2	33
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Craft and related trades workers	1	0	0	0	12	0	0	0	13
Plant and machine operators and assemblers	2	0	0	0	0	0	0	0	2
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	335	12	11	19	507	25	22	47	978
Employees with disabilities	13	0	0	2	12	6	1	2	36

3.7 Signing of Performance Agreements by SMS members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken are presented here.

Table 3.7.1 Signing of performance agreements by SMS members as on 31 May 2019

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ head of department	1	1	1	100%
Salary level 16	1	1	1	0%
Salary level 15	12	11	11	100%
Salary level 14	58	54	54	100%
Salary level 13	153	147	142	97%
Total	225	214	209	98%

Notes

In the event of a national or provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2018.

Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 March 2020

DG/HOD	N/A
Salary level 16 but not DG/HOD	None
Salary level 15	None
Salary level 14	None
Salary level 13	01 Employee: ITED - cited challenges due to regional travel and network problems 04 Employees: Ministry – cited problems of domestic travel and work overload that prevented the conclusion of the performance agreement

Notes

The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2020

Reasons
None

Notes

The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.8 Performance Rewards

To encourage good performance, the department granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands, and critical occupations (see definition in notes below).

Table 3.8.1 Performance rewards by race, gender, and disability for the period 1 April 2019 to 31 March 2020

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	109	412	26.5%	3972	36
Female	177	592	29.9%	5961	34
Asian					
Male	9	19	47.4%	537	60
Female	19	43	44.2%	1197	63
Coloured					
Male	11	34	32.4%	644	59
Female	11	31	35.5%	541	49
White					
Male	9	26	34.6%	522	58
Female	29	53	54.7%	1292	45
Total	374	1210	30.9%	14666	39

Table 3.8.2 Performance rewards by salary band for personnel below SMS for the period 1 April 2019 to 31 March 2020

Salary band	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (levels 1-2)	0	1	0.0%	0	0	0.0%
Skilled (levels 3-5)	19	106	17.9%	349	18	0.0%
Highly skilled production (levels 6-8)	122	354	34.5%	2307	19	0.2%
Highly skilled supervision (levels 9-12)	167	543	30.8%	7332	44	0.7%
Total	308	1004	30.8%	9988	32	1.0%

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2019 to 31 March 2020

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related, permanent	52	195	27%	1 383	27
Cleaners in offices, workshops, hospitals, etc., permanent	0	1	0%	0	0
Communication and information related, permanent	2	5	40%	118	59
Economists, permanent	1	5	20%	58	58
Finance and economics related, permanent	39	44	89%	1 145	29
Financial and related professionals, permanent	1	5	20%	22	22
Financial clerks and credit controllers, permanent	0	1	0%	0	0
Food services aids and waiters, permanent	10	10	100%	136	14
General legal administration and related professionals, permanent	0	3	0%	0	0
Head of department/chief executive officer, permanent	0	1	0%	0	0
Household and laundry workers	0	3	0%	0	0
Human resources and organisational development and related professionals, permanent	1	1	100%	76	76
Human resources clerks, permanent	0	0	0%	0	0
Human resources related, permanent	3	36	8%	143	48
Information technology related, permanent	5	26	19%	153	31
Legal related, permanent	0	10	0%	0	0
Library, mail and related clerks, permanent	1	19	5%	14	14
Light vehicle drivers, permanent	2	4	50%	29	15
Logistical support personnel, permanent	15	18	83%	387	26
Messengers, porters and deliverers, permanent	5	5	100%	68	14
Other administrative and related clerks and organisers, permanent	2	24	8%	29	15
Other information technology personnel	0	3	0%	0	0
Other occupations, permanent	2	2	100%	27	14
Risk management and security services, permanent	0	0	0%	0	0
Secretaries and other keyboard operating clerks, permanent	33	118	28%	641	19
Security officers, permanent	4	16	25%	154	39
Senior managers, permanent	54	205	26%	4 366	81
Trade and industry advisers and other related professionals, permanent	142	450	32%	5 717	40
Total	374	1210	31%	14666	39

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Critical occupations are defined as occupations or sub-categories within an occupation –

- (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance-related rewards (cash bonus), by salary band for SMS for the period 1 April 2019 to 31 March 2020

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Band A	36	142	25%	2584	72	0.3%
Band B	12	51	24%	1032	86	0.1%
Band C	9	11	82%	922	102	0.1%
Band D	1	2	50%	140	140	0.0%
Total	58	206	28%	4678	81	0.5%

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2019 to 31 March 2020

Salary band	1 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled production (levels 6-8)	0	0%	0	0%	0	0%
Highly skilled supervision (levels 9-12)	3	50%	3	50%	0	0%
Senior management (levels 13-16)	2	33%	3	50%	1	0%
Contract (levels 6-8)	0	0%	0	0%	0	0%
Contract (levels 9-12)	1	17%	0	0%	-1	0%
Contract (levels 13-16)	0	0%	0	0%	0	0%
Total	6	100%	6	100%	0	0%

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2019 to 31 March 2020

Major occupation	1 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	0	0%	0	0%	0	0%
Professional, qualified and experienced middle management	2	33%	2	33%	0	0%
Skilled, qualified and junior management	1	17%	1	17%	0	0%
Senior management	3	50%	3	50%	0	0%
Total	6	33%	6	100%	0	0%

3.10 Leave Utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2019 to 31 December 2019

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skills (levels 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	437	163	53	5	11	367
Highly skilled production (levels 6-8)	3 415	76	337	31	10	5 296
Highly skilled supervision (levels 9-12)	4 076	143	485	44	11	12 295
Top and senior management (levels 13-16)	1 323	867	170	16	20	5 947
Contract, other	205	42	48	4	4	96
Total	9 456	74.9	1 093	100	9	24 001

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2019 to 31 December 2019

Salary band	Total days	% Days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1-2)	0	0%	0	0%	0	0
Skilled (levels 3-5)	16	100%	1	5%	16	7
Highly skilled production (levels 6-8)	128	100%	10	46%	13	208
Highly skilled supervision (levels 9-12)	358	100%	8	36%	45	1323
Senior management (levels 13-16)	47	100%	3	14%	16	201
Total	549	100%	22	100%	25	1 739

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Co-ordinating Bargaining Council (PSCBC) in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual leave for the period 1 January 2019 to 31 December 2019

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (levels 1-2)	18	1	18.00
Skilled (levels 3-5)	1263	67	18.85
Highly skilled production (levels 6-8)	8300	361	22.99
Highly skilled supervision (levels 9-12)	13282	554	23.97
Senior management (levels 13-16)	5717	237	24.12
Not available	1073	61	17.59
Total	29653	1281	23.15

Table 3.10.4 Capped leave for the period 1 January 2019 to 31 December 2019

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	44
Highly skilled production (levels 6-8)	0	0	0	32
Highly skilled supervision (levels 9-12)	8	1	8	28
Senior management (levels 13-16)	12	3	4	25
Total	20	4	12	129

The following table summarises payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave pay-outs for the period 1 April 2019 to 31 March 2020

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2019/20 due to non-utilisation of leave for the previous cycle	1846	70	26371
Capped leave pay-outs on termination of service for 2019/20	1788	52	34385
Current leave pay-out on termination of service for 2019/20	816	11	74182
Total	4450	133	134 938

3.11 HIV/AIDS and Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
N/A	

Table 3.11.2 Details of health promotion and HIV/AIDS programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms T Lebuso, Director: Organisational Development and Transformation
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Sub-directorate: Quality of Worklife with designated staff members (Deputy Director: QWL, ASD: Occupational Nurse and Admin Assistant)
3. Has the department introduced an Employee Assistance (EAP) or Health Promotion Programme for your employees? If so, indicate the key elements/services of this programme.	Yes		Key elements of the EAP services include: <ul style="list-style-type: none"> – Counselling services in all official languages including sign language – Counselling in the form of telephonic and face-to-face – Life management services (financial, legal and information services) – Training and development – Awareness and prevention – Primary and occupational health care
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		Wellness committee (wellness and peer coaches): <ul style="list-style-type: none"> – Ms T Lebuso – Dr M Mabunda – Sr E Sebata – Ms G Ledwaba – Ms Z Mdluli – Mr D Nyathi – Ms B Berend – Ms M Mahlangu – Mr S Kondlela – Ms P Sema – Ms N Maisela – Ms N Chaane – Ms N Mashele – Ms Y Madubela – Ms Z Mtetwa – Ms P Makgabutlane – Ms C Martin – Ms M Thobejane Ex officio: <ul style="list-style-type: none"> – Ms M Makatola Secretariat: <ul style="list-style-type: none"> – Ms R Manaka
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		All employment policies within the department do not unfairly discriminate against employees on the basis of their HIV status. The Employee Wellness Policy, HIV and AIDS Policy and Transformation Policy were reviewed and approved during the reporting period.

Question	Yes	No	Details, if yes
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Awareness of discrimination; grievance procedure; EAP.
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	Yes		Yes, GEMS testing and individual testing provided at the dti clinic monthly. A total of 367 employees have tested for HIV/AIDS during 2019/20.
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Quarterly and annual trends are monitored and followed by interventions to address identified trends. Quarterly and annual reports are produced.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2019 to 31 March 2020

Subject matter	Date
None	

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2019 to 31 March 2020

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	4	9%
Written warning	4	9%
Final written warning	21	47%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not guilty	0	0%
Case withdrawn	2	4%
Pending	14	31%
Total	45	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 to 31 March 2020

Type of misconduct	Number	% of total
Dereliction of duties	1	2%
Dereliction of duties/absenteeism	1	2%
Dereliction of duties/alleged fraud	3	7%
Disgraceful/unprofessional conduct	4	9%
Fails to comply with or contravenes an Act, relation or legal obligation	2	4%
Failure to disclose financial interests on time	24	53%
Fraud	4	9%
Gross negligence and dishonesty	1	2%
Incompatibility	1	2%
Insubordination	3	7%
Performing RWOPS without permission	1	2%
Total	45	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 to 31 March 2020

Type of misconduct	Number	% of total
Dereliction of duties	1	2%
Dereliction of duties/absenteeism	1	2%
Dereliction of duties/alleged fraud	3	7%
Disgraceful/unprofessional conduct	4	9%
Fails to comply with or contravenes an Act, relation or legal obligation	2	4%
Failure to disclose financial interests on time	24	53%
Fraud	4	9%
Gross negligence and dishonesty	1	2%
Incompatibility	1	2%
Insubordination	3	7%
Performing RWOPS without permission	1	2%
Total	45	100%

Table 3.12.4 Grievances logged for the period 1 April 2019 to 31 March 2020

Grievances	Number	% of Total
Number of grievances resolved	27	71%
Number of grievances not resolved	11	29%
Total number of grievances lodged	38	100%

Table 3.12.5 Disputes logged with councils for the period 1 April 2019 to 31 March 2020

Disputes	Number	% of Total
Number of disputes upheld	7	28%
Number of disputes dismissed	2	8%
Number of disputes pending	10	40%
Withdrawn	6	24%
Total	25	100%

Table 3.12.6 Strike actions for the period 1 April 2019 to 31 March 2020

Total number of persons working days lost	N/A
Total costs working days lost	N/A
Amount recovered as a result of no work no pay (R'000)	N/A

Table 3.12.7 Precautionary suspensions for the period 1 April 2019 to 31 March 2020

Number of people suspended	3
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	528
Cost of suspension (R'000)	6 902

3.13 Skills Development

This section highlights the efforts of the department with regard to skills development.

Table 3.13.1 Training needs identified for the period 1 April 2019 to 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	110	0	100	12	112
	Male	105	0	90	16	106
Professionals	Female	326	0	300	26	326
	Male	273	0	200	71	271
Technicians and associate professionals	Female	145	0	120	26	146
	Male	100	0	92	8	100
Clerks	Female	135	0	120	12	132
	Male	27	0	20	8	28
Service and sales workers	Female	9	0	9	0	9
	Male	9	0	9	0	9
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	15	0	15
	Male	0	0	4	0	4
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	3	0	3	0	3
Elementary occupations	Female	15	0	2	0	2
	Male	4	0	0	0	0
Sub total	Female	740	0	666	76	742
	Male	521	0	418	103	521
Total		1 261	0	1 084	179	1 263

Table 3.13.2 Training provided for the period 1 April 2019 to 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	110	0	80	1	81
	Male	105	0	42	0	42
Professionals	Female	326	0	175	6	181
	Male	273	0	124	5	129
Technicians and associate professionals	Female	145	0	188	3	191
	Male	100	0	138	1	139
Clerks	Female	135	0	112	4	116
	Male	27	0	51	0	51
Service and sales workers	Female	9	0	20	0	20
	Male	9	0	13	0	13
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	12	0	12
	Male	0	0	1	0	1
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	3	0	2	0	2
Elementary occupations	Female	15	0	0	0	0
	Male	4	0	0	0	0
Sub total	Female	740	0	587	14	601
	Male	521	0	371	6	377
Total		1261	0	958	20	978

3.14 Injury On Duty

The following tables provide basic information about injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2019 to 31 March 2020

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	100%
Temporary total disablement	0	0%
Permanent disablement	0	0%
Fatal	0	0%
Total	3	100%

3.15 Utilisation of Consultants

The following tables relate information about the utilisation of consultants in the department. In terms of the Public Service Regulations, "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad-hoc basis any of the following professional services to a department against remuneration received from any source:

- the rendering of expert advice;
- the drafting of proposals for the execution of specific tasks; and
- the execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2019 to 31 March 2020

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Compilation and printing of the 2018/2019 Annual Incentive Report	5	120	R 494 288,83
Impact assessment study on behalf of B-BBEE Commission	5	120	R 745 312,50
Research to analyse of major B-BBEE transactions registered with the B-BBEE Commission	3	400	R 788 857,14
Establishment of a voluntary association for state-owned industrial parks in South Africa	3	30	R 178 250,00
A market study for the electrical and telecoms cable industry	5	80	R 498 410,00
Research and provide content management services for the Masterplans Process	8	200	R 988 288,60
To conduct the implementation and evaluation for the support programme for Industrial Innovation (SPII)	4	80	R 495 659,00
Research to undertake a study on the potential impact of the coronavirus on the South African economy	5	71	R 982 897,00
Internal audit services	14	720	R 4 500 000,00
Audit service the external validation of the quality assurance process	6	25	R 296 327,50
Research analysis of compliance report and B-BBEE portal information to produce national status report on B-BBEE transformation on behalf of B-BBEE Commission	3	40	R 366 390,00
Amendments to the PPP financial model changes	9	240	R 1 984 716,00
Total number of projects	Total individual consultants	Total duration: work days	Total contract value in Rand
	70	2126	R 12 319 396,57

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 to 31 March 2020

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Compilation and printing of the 2018/2019 Annual Incentive Report	100	100	5
Impact assessment study on behalf of B-BBEE Commission	55	55	5
Research to analyse of major B-BBEE transactions registered with the B-BBEE Commission	0	0	3
Establishment of a voluntary association for state-owned industrial parks in South Africa	14	14	1
A market study for the electrical and telecoms cable industry	100	100	5
Research and provide content management and design services for the Masterplans Process	36	36	8
To conduct the implementation and evaluation for the support programme for Industrial Innovation (SPII)	55	55	3
Research to undertake a study on the potential impact of the coronavirus on the South African economy	36	36	4
Internal audit services	31	31	6
Audit service the external validation of the quality assurance process	74	74	6
Research analysis of compliance report and B-BBEE portal information in order to produce national status report on B-BBEE transformation on behalf of B-BBEE Commission	55	55	3
Amendments to the PPP financial model changes	91	91	9

Table 3.15.3 Report on consultant appointments using donor funds for the period 1 April 2019 to 31 March 2020

Project title	Total number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None	None	None	None

Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
None	None	None	None

Table 3.15.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 to 31 March 2020

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	None	None	None

3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2019 to 31 March 2020

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0
Senior management (levels 13-16)	0	0	0	0
Total	0	0	0	0



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FINANCIAL INFORMATION



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REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 34: DEPARTMENT OF TRADE AND INDUSTRY

Report on the audit of the financial statements

Opinion

1. I audited the financial statements of the Department of Trade and Industry (**the dti**) set out on pages 126 to 243, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of **the dti** as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISA). My responsibilities under those standards are further described in the Auditor-General's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the Code of Ethics for Professional Accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

7. As disclosed in note 33 to the financial statements, the corresponding figures for 31 March 2019 were restated as a result of an error in the financial statements of the department at, and for the year ended 31 March 2020.

Other matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

9. The supplementary information set on pages 231 to 243 does not form part of the financial statements and is presented as additional information. I did not audit these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

10. The Accounting Officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to a going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Auditor-General's responsibilities for the audit of the financial statements

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

14. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for a selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I did not evaluate the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 6 – Incentive Development and Administration	66 – 69

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programme.

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages 53 to 73 for information on the achievement of planned targets for the year and explanations provided for the under-/overachievement of a significant number of targets.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

23. The Accounting Officer is responsible for the other information. The other information comprises the information included in the Annual Report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

27. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria

30 September 2020



Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISA, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for a selected programme and on the department’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of **the dti** to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern
 - evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Appropriation per programme		2019/20						2018/19	
Voted funds and Direct charges	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme:									
1. Administration	890 976	–	(66 216)	824 760	807 745	17 015	97.9%	819 163	813 518
2. International Trade And Economic Development	130 442	–	(5 360)	125 082	124 332	750	99.4%	122 093	122 075
3.Special Economic Zones And Economic Transformation	160 044	–	5 245	165 289	156 300	8 989	94.6%	136 100	121 963
4. Industrial Development	2 100 814	–	(9 253)	2 091 561	2 076 606	14 955	99.3%	2 018 645	2 018 625
5. Consumer And Corporate Regulation	339 705	–	(3 490)	336 215	329 908	6 307	98.1%	324 443	323 846
6. Incentive Development And Administration	5 953 330	–	(16 007)	5 937 323	5 902 929	34 394	99.4%	5 571 701	5 560 651
7. Trade And Investment South Africa	440 391	–	97 912	538 303	505 655	32 648	93.9%	460 818	460 194
8. Investment South Africa	69 025	–	(2 831)	66 194	66 131	63	99.9%	78 795	69 372
372	10 084 727	–	–	10 084 727	9 969 606	115 121	98.9%	9 531 758	9 490 244
Reconciliation with Statement of Financial Performance									
Add: Departmental receipts				106 063				73 305	
Aid assistance				45 757				56 452	
Actual amounts per Statement of Financial Performance (Total Revenue)				10 236 547				9 661 515	
Add: Aid assistance					38 267				43 836
Actual amounts per Statement of Financial Performance Expenditure					10 007 873				9 534 080

Appropriation per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 820 081	(18 137)	(35 835)	1 766 109	1 684 263	81 846	95.4%	1 711 580	1 693 990
Compensation of employees	1 046 769	-	-	1 046 769	995 215	51 554	95.1%	987 518	982 100
Salaries and wages	880 835	31 395	269	912 499	884 734	27 765	97.0%	876 217	874 722
Social contributions	165 934	(31 395)	(269)	134 270	110 481	23 789	82.3%	111 301	107 378
Goods and services	773 312	(18 137)	(35 835)	719 340	689 048	30 292	95.8%	724 062	711 890
Administrative fees	7 813	(130)	(278)	7 405	6 968	437	94.1%	5 144	5 044
Advertising	21 486	(6 657)	(3 899)	10 930	10 416	514	95.3%	27 755	27 614
Minor assets	902	(310)	(64)	528	235	293	44.5%	342	315
Audit costs: External	11 122	(2 936)	-	8 186	8 186	-	100.0%	10 420	10 419
Bursaries: Employees	4 736	(67)	-	4 669	4 634	35	99.3%	3 606	3 606
Catering: Departmental activities	7 585	(3 698)	(609)	3 278	2 944	334	89.8%	3 609	3 582
Communication (G&S)	12 367	(2 481)	(319)	9 567	8 805	762	92.0%	9 416	9 213
Computer services	40 762	(11 078)	(12 441)	17 243	17 092	151	99.1%	35 364	35 341
Consultants: Business and advisory services	58 661	12 186	(12 330)	58 517	55 813	2 704	95.4%	49 053	41 958
Legal services	18 426	7 631	(4 946)	21 111	20 540	571	97.3%	17 192	17 160
Contractors	29 129	(9 291)	(3 226)	16 612	15 983	629	96.2%	25 371	23 399
Agency and support / outsourced services	53	30	384	467	466	1	99.8%	219	218
Entertainment	1 276	(411)	(135)	730	708	22	97.0%	1 390	1 382

Appropriation per economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Appropriation R'000	Final Expenditure R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	1 582	(499)	154	1 237	1 099	138	88.8%		760
Consumable supplies	3 212	(1 555)	(226)	1 431	1 170	261	81.8%		584
Consumable: Stationery, printing and office supplies	10 100	(3 535)	(1 837)	4 728	4 555	173	96.3%		5 021
Operating leases	328 882	9 270	19 826	357 978	350 464	7 514	97.9%		342 117
Property payments	9 771	(1 535)	(883)	7 353	7 212	141	98.1%		6 594
Travel and subsistence	121 126	4 091	(12 557)	112 660	108 143	4 517	96.0%		108 718
Training and development	11 114	(2 334)	(3 782)	4 998	4 439	559	88.8%		10 249
Operating payments	31 952	(483)	5 407	36 876	26 914	9 962	73.0%		23 233
Venues and facilities	37 358	(5 651)	(4 061)	27 646	27 119	527	98.1%		30 886
Rental and hiring	3 897	1 306	(13)	5 190	5 143	47	99.1%		4 526
Transfers and subsidies	8 247 208	3 860	35 592	8 286 660	8 259 005	27 655	99.7%	7 796 759	7 777 760
Departmental agencies	701 201	–	–	701 201	701 201	–	100.0%		667 495
Foreign governments and international organisations	37 326	–	(4 659)	32 667	29 646	3 021	90.8%		27 653
Public corporations and private enterprises	7 328 639	–	40 000	7 368 639	7 344 133	24 506	99.7%		6 876 115
Public corporations	3 560 248	195 000	40 000	3 795 248	3 791 942	3 306	99.9%		3 023 384
Other transfers to public corporations	3 560 248	195 000	40 000	3 795 248	3 791 942	3 306	99.9%		3 023 384
Private enterprises	3 768 391	(195 000)	–	3 573 391	3 552 191	21 200	99.4%		3 852 731
Subsidies on products and production (pe)	3 363 589	(98 000)	–	3 265 589	3 264 584	1 005	99.7%		3 532 602
Other transfers to private enterprises	404 802	(97 000)	–	307 802	287 607	20 195	93.4%		320 129
Non-profit institutions	178 897	–	–	178 897	178 897	–	100.0%		202 430
Households	1 145	3 860	251	5 256	5 128	128	97.6%		4 070
Social benefits	1 145	3 600	244	4 989	4 863	126	97.5%		3 731

Appropriation per economic classification	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Other transfers to households	–	260	7	267	265	2	99.3%	341	339	
Payments for capital assets	17 435	–	–	17 435	11 817	5 618	67.8%	22 966	18 043	
Machinery and equipment	14 696	564	(2 200)	13 060	9 287	3 773	71.1%	20 466	16 970	
Transport equipment	902	–	(902)	–	–	–	–	–	–	
Other machinery and equipment	13 794	564	(1 298)	13 060	9 287	3 773	71.1%	20 466	16 970	
Software and other intangible assets	2 739	(564)	2 200	4 375	2 530	1 845	57.8%	2 500	1 073	
Payment for financial assets	3	14 277	243	14 523	14 521	2	99.8%	453	451	
Total	10 084 727	–	–	10 084 727	9 969 606	115 121	98.9%	9 531 758	9 490 244	

Programme 1: Administration	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub programme										
1.1 Ministry	42 730	882	(5 535)	38 077	37 205	872	97.7%	33 488	33 392	
1.2 Office Of The Director General	128 435	(854)	(15 157)	112 424	111 651	773	99.3%	98 048	97 976	
1.3 Corporate Services	547 487	(578)	(32 789)	514 120	506 500	7 620	98.5%	523 984	519 282	
1.4 Office Accommodation	2 552	–	(872)	1 680	1 625	55	96.7%	2 359	2 358	
1.5 Financial Management	73 226	10 804	(5 476)	78 554	77 822	732	99.1%	67 769	67 197	
1.6 Marketing Communication and Media Relations	96 546	(10 254)	(6 387)	79 905	72 942	6 963	91.3%	93 515	93 313	
Total	890 976	–	(66 216)	824 760	807 745	17 015	97.9%	819 163	813 518	
Economic classification										
Current payments	880 738	(17 788)	(60 611)	802 339	788 099	14 240	98.2%	797 903	796 371	
Compensation of employees	318 398	–	(17 472)	300 926	288 160	12 766	95.8%	283 182	282 638	
Salaries and wages	273 154	4 499	(17 014)	260 639	253 633	7 006	97.3%	249 078	248 630	

Programme 1: Administration	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R '000	R '000	R '000	R '000	R '000	R '000	%	R '000	R '000
Social contributions	45 244	(4 499)	(458)	40 287	34 527	5 760	85.7%	34 104	34 008
Goods and services	562 340	(17 788)	(43 139)	501 413	499 939	1 474	99.7%	514 721	513 733
Administrative fees	4 852	(391)	(30)	4 431	4 363	68	98.5%	2 520	2 496
Advertising	19 374	(7 230)	(3 990)	8 154	8 121	33	99.6%	23 957	23 952
Minor assets	459	(248)	(29)	182	135	47	74.2%	184	180
Audit costs: External	11 114	(2 928)	–	8 186	8 186	–	100.0%	10 420	10 419
Bursaries: Employees	4 736	(67)	–	4 669	4 634	35	99.3%	3 606	3 606
Catering: Departmental activities	3 374	(1 642)	(152)	1 580	1 501	79	95.0%	1 778	1 761
Communication (G&S)	8 434	(1 880)	(535)	6 019	6 002	17	99.7%	5 779	5 741
Computer services	39 021	(13 817)	(12 056)	13 148	12 998	150	98.9%	34 620	34 598
Consultants: Business and advisory services	31 867	12 921	(4 990)	39 798	39 734	64	99.8%	21 047	21 006
Legal services	8 061	5 877	(6 258)	7 680	7 662	18	99.8%	7 219	7 216
Contractors	18 858	(2 218)	(2 228)	14 412	14 388	24	99.8%	19 883	19 880
Agency and support / outsourced services	–	44	–	44	44	–	100.0%	130	129
Entertainment	271	(140)	(75)	56	39	17	69.6%	26	21
Fleet services (including government motor transport)	764	(559)	(61)	144	65	79	45.1%	75	64
Consumable supplies	2 230	(1 320)	(179)	731	628	103	85.9%	172	158
Consumable: Stationery, printing and office supplies	7 207	(2 817)	(1 268)	3 122	3 068	54	98.3%	4 789	4 223
Operating leases	317 144	6 571	(450)	323 265	322 852	413	99.9%	310 903	310 718
Property payments	8 503	(1 865)	(872)	5 766	5 709	57	99.0%	4 673	4 672
Travel and subsistence	35 139	(4 950)	(4 921)	25 268	25 105	163	99.4%	24 507	24 484
Training and development	9 024	(2 207)	(3 782)	3 035	3 032	3	99.9%	7 858	7 857
Operating payments	11 147	(424)	(1 018)	9 705	9 676	29	99.7%	11 007	10 989
Venues and facilities	17 803	130	(245)	17 688	17 672	16	99.9%	16 534	16 531
Rental and hiring	2 958	1 372	–	4 330	4 325	5	99.9%	3 034	3 032

Programme 1: Administration	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	193	3 541	–	3 734	3 614	120	96.8%	900	885
Households	193	3 541	–	3 734	3 614	120	96.8%	900	885
Social benefits	193	3 419	–	3 612	3 493	119	96.7%	769	755
Other transfers to households	–	122	–	122	121	1	99.2%	131	130
Payments for capital assets	10 045	–	(5 605)	4 440	1 785	2 655	40.2%	20 360	16 262
Machinery and equipment	7 306	564	(5 605)	2 265	1 454	811	64.2%	18 865	16 193
Other machinery and equipment	7 306	564	(5 605)	2 265	1 454	811	64.2%	18 865	16 193
Software and other intangible assets	2 739	(564)	–	2 175	331	1 844	15.2%	1 495	69
Payment for financial assets	–	14 247	–	14 247	14 247	–	100.0%	–	–
Total	890 976	–	(66 216)	824 760	807 745	17 015	97.9%	819 163	813 518

Sub-programme: 1.1: Ministry	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	42 581	(1 710)	(5 472)	35 399	34 615	784	97.8%	33 338	33 242
Compensation of employees	25 519	-	(5 472)	20 047	19 296	751	96.3%	20 997	20 992
Salaries and wages	22 738	280	(5 014)	18 004	17 543	461	97.4%	18 832	18 829
Social contributions	2 781	(280)	(458)	2 043	1 753	290	85.8%	2 165	2 163
Goods and services	17 062	(1 710)	-	15 352	15 319	33	99.8%	12 341	12 250
Administrative fees	14	330	-	344	342	2	99.4%	241	240
Minor assets	7	-	-	7	-	7	-	-	-
Catering: Departmental activities	72	(17)	-	55	54	1	98.2%	35	34
Communication (G&S)	1 003	(860)	-	143	142	1	99.3%	245	243
Legal services	-	-	-	-	-	-	-	106	105



Sub-programme: 1.1: Ministry	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Contractors	35	(32)	-	3	2	1	66.7%	2	2
Entertainment	12	(1)	-	11	11	-	100.0%	9	9
Fleet services (including government motor transport)	101	(52)	-	49	42	7	85.7%	42	35
Consumable supplies	61	(19)	-	42	40	2	95.2%	14	13
Consumable: Stationery, printing and office supplies	218	(196)	-	22	21	1	95.5%	21	20
Operating leases	869	414	-	1 283	1 280	3	99.8%	1 418	1 345
Property payments	10	(9)	-	1	-	1	-	-	-
Travel and subsistence	14 616	(1 291)	-	13 325	13 322	3	99.7%	10 064	10 063
Operating payments	44	(28)	-	16	14	2	87.5%	33	31
Venues and facilities	-	51	-	51	49	2	96.1%	107	106
Rental and hiring	-	-	-	-	-	-	-	4	4
Transfers and subsidies	-	2 592	-	2 592	2 590	2	99.9%	96	96
Households	-	2 592	-	2 592	2 590	2	99.9%	96	96
Social benefits	-	2 592	-	2 592	2 590	2	99.9%	96	96
Payments for capital assets	149	-	(63)	86	-	86	-	54	54
Machinery and equipment	149	-	(63)	86	-	86	-	54	54
Other machinery and equipment	149	-	(63)	86	-	86	-	54	54
Total	42 730	882	(5 535)	38 077	37 205	872	97.7%	33 488	33 392

Sub-programme: 1.2: Office of the Director General	2019/20										2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	R'000	R'000	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000			
Economic classification												
Current payments	127 462	(1 136)	(14 384)	111 942	111 318	624	99.4%	97 395	97 328			
Compensation of employees	75 956	–	–	75 956	75 622	334	99.6%	68 159	68 141			
Salaries and wages	65 725	1 899	–	67 624	67 497	127	99.8%	60 935	60 926			
Social contributions	10 231	(1 899)	–	8 332	8 125	207	97.5%	7 224	7 215			
Goods and services	51 506	(1 136)	(14 384)	35 986	35 696	290	99.2%	29 236	29 187			
Administrative fees	1 612	1 658	–	3 270	3 249	21	99.4%	427	418			
Advertising	582	(91)	–	491	491	–	100.0%	23	22			
Minor assets	207	(182)	(2)	23	4	19	17.4%	12	12			
Audit costs: External	1 305	(1 305)	–	–	–	–	–	–	–			
Bursaries: Employees	–	31	–	31	–	31	–	–	–			
Catering: Departmental activities	769	(543)	–	226	172	54	76.1%	150	144			
Communication (G&S)	818	(370)	(162)	286	284	2	99.3%	553	552			
Computer services	844	(63)	(240)	541	540	1	99.8%	455	452			
Consultants: Business and advisory services	23 169	5 974	(2 660)	26 483	26 459	24	99.9%	19 357	19 354			
Legal services	6 244	(3)	(6 241)	–	–	–	–	2 473	2 473			
Contractors	908	(86)	(813)	9	8	1	88.9%	9	8			
Agency and support / outsourced services	–	44	–	44	44	–	100.0%	130	129			
Entertainment	94	(90)	–	4	–	4	–	6	3			
Fleet services (including government motor transport)	176	(121)	–	55	1	54	1.8%	3	3			
Consumable supplies	409	(331)	(9)	69	34	35	49.3%	6	6			
Consumable: Stationery, printing and office supplies	1 337	(1 138)	(189)	10	8	2	80.0%	13	11			
Operating leases	190	(160)	–	30	25	5	83.3%	59	53			
Travel and subsistence	10 030	(3 375)	(3 769)	2 886	2 877	9	99.7%	3 618	3 610			
Operating payments	1 529	(158)	(54)	1 317	1 302	15	98.9%	1 841	1 836			



Sub-programme: 1.2: Office of the Director General	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	1 283	(827)	(245)	211	198	13	93.8%	63	63
Rental and hiring	-	-	-	-	-	-	-	38	38
Transfers and subsidies	60	282	-	342	308	34	90.1%	242	238
Households	60	282	-	342	308	34	90.1%	242	238
Social benefits	60	238	-	298	264	34	88.6%	242	238
Other transfers to households	-	44	-	44	44	-	100.0%	-	-
Payments for capital assets	913	-	(773)	140	25	115	17.9%	411	410
Machinery and equipment	913	-	(773)	140	25	115	17.9%	411	410
Other machinery and equipment	913	-	(773)	140	25	115	17.9%	411	410
Total	128 435	(854)	(15 157)	112 424	111 651	773	99.3%	98 048	97 976

Sub-programme: 1.3: Corporate Services	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	538 892	(484)	(28 496)	509 912	504 781	5 131	99.0%	507 669	506 905
Compensation of employees	130 956	–	(12 000)	118 956	114 114	4 842	95.9%	112 431	112 319
Salaries and wages	113 523	(618)	(12 000)	100 905	99 845	1 060	98.9%	98 468	98 368
Social contributions	17 433	618	–	18 051	14 269	3 782	79.0%	13 963	13 951
Goods and services	407 936	(484)	(16 496)	390 956	390 667	289	99.9%	395 238	394 586
Administrative fees	2 601	(2 289)	–	312	286	26	91.7%	1 276	1 270
Advertising	2 029	(548)	–	1 481	1 481	–	100.0%	1 331	1 330
Minor assets	197	(66)	–	131	131	–	100.0%	139	135
Bursaries: Employees	4 736	(98)	–	4 638	4 634	4	99.9%	3 606	3 606
Catering: Departmental activities	112	74	(8)	178	164	14	92.1%	194	188
Communication (G&S)	5 152	(1 175)	(150)	3 827	3 822	5	99.9%	4 570	4 562
Computer services	34 196	(12 274)	(10 566)	11 356	11 209	147	98.7%	32 924	32 906
Consultants: Business and advisory services	5 437	8 477	(710)	13 204	13 197	7	99.9%	1 647	1 645
Legal services	1 766	5 896	–	7 662	7 660	2	99.7%	4 621	4 619
Contractors	16 704	(2 055)	(315)	14 334	14 332	2	99.7%	19 872	19 870
Entertainment	6	27	–	33	28	5	84.8%	5	4
Fleet services (including government motor transport)	2	5	–	7	7	–	100.0%	1	1
Consumable supplies	278	258	–	536	517	19	96.5%	126	119
Consumable: Stationery, printing and office supplies	50	29	(5)	74	46	28	62.2%	648	88
Operating leases	314 499	6 474	–	320 973	320 960	13	99.7%	308 557	308 535
Property payments	5 941	(1 856)	–	4 085	4 084	1	99.7%	2 314	2 314
Travel and subsistence	2 840	(562)	(315)	1 963	1 953	10	99.5%	1 565	1 558
Training and development	8 827	(2 207)	(3 633)	2 987	2 985	2	99.9%	7 857	7 856
Operating payments	2 563	1 406	(794)	3 175	3 171	4	99.9%	3 884	3 880

Sub-programme: 1.3: Corporate Services	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	-	-	-	-	-	-	-	101	100
Transfers and subsidies	133	470	-	603	521	82	86.4%	336	329
Households	133	470	-	603	521	82	86.4%	336	329
Social benefits	133	470	-	603	521	82	86.4%	336	329
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	8 462	(564)	(4 293)	3 605	1 198	2 407	33.2%	15 979	12 048
Machinery and equipment	5 723	-	(4 293)	1 430	867	563	60.6%	14 484	11 979
Other machinery and equipment	5 723	-	(4 293)	1 430	867	563	60.6%	14 484	11 979
Software and other intangible assets	2 739	(564)	-	2 175	331	1 844	15.2%	1 495	69
Total	547 487	(578)	(32 789)	514 120	506 500	7 620	98.5%	523 984	519 282

Sub-programme: 1.4: Office Accommodation	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 552	-	(872)	1 680	1 625	55	96.7%	2 359	2 358
Goods and services	2 552	-	(872)	1 680	1 625	55	96.7%	2 359	2 358
Property payments	2 552	-	(872)	1 680	1 625	55	96.7%	2 359	2 358
Total	2 552	-	(872)	1 680	1 625	55	96.7%	2 359	2 358

Sub-programme: 1.5: Financial Management	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	72 705	(3 562)	(5 000)	64 143	63 457	686	98.9%	63 813	63 409
Compensation of employees	47 896	396	-	48 292	48 286	6	99.7%	46 428	46 153
Salaries and wages	38 528	3 827	-	42 355	42 353	2	99.7%	40 560	40 355
Social contributions	9 368	(3 431)	-	5 937	5 933	4	99.9%	5 868	5 798
Goods and services	24 809	(3 958)	(5 000)	15 851	15 171	680	95.7%	17 385	17 256
Administrative fees	275	(4)	(30)	241	234	7	97.1%	287	281
Advertising	50	(9)	-	41	10	31	24.4%	11	11
Minor assets	48	-	(27)	21	-	21	-	33	33
Audit costs: External	9 809	(1 623)	-	8 186	8 186	-	100.0%	10 420	10 419
Catering: Departmental activities	60	(38)	-	22	14	8	63.6%	5	3
Communication (G&S)	487	1 299	(93)	1 693	1 689	4	99.8%	258	233
Computer services	3 981	(1 665)	(1 250)	1 066	1 065	1	99.9%	1 090	1 089
Consultants: Business and advisory services	727		(700)	27	13	14	48.1%	8	7
Legal services	51	(16)	(17)	18	2	16	11.1%	19	19
Contractors	135		(135)	-	-	-	-	-	-
Entertainment	36		(35)	1	-	1	-	5	4
Fleet services (including government motor transport)	22		(21)	1	1	-	100.0%	1	1
Consumable supplies	72		(30)	42	4	38	9.5%	9	5
Consumable: Stationery, printing and office supplies	5 454	(1 428)	(1 056)	2 970	2 949	21	99.3%	4 093	4 091
Operating leases	1 105	(110)	(450)	545	174	371	31.9%	375	296
Travel and subsistence	1 945	(208)	(837)	900	761	139	84.6%	719	716
Training and development	197	-	(149)	48	47	1	97.9%	1	1

Sub-programme: 1.5: Financial Management	2019/20										2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure		R'000	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000			
Economic classification												
Operating payments	355	(156)	(170)	29	22	7	75.9%	51	47			
Transfers and subsidies	-	119	-	119	118	1	99.2%	40	38			
Households	-	119	-	119	118	1	99.2%	40	38			
Social benefits	-	119	-	119	118	1	99.2%	40	38			
Payments for capital assets	521	-	(476)	45	-	45	-	3 916	3 750			
Machinery and equipment	521	-	(476)	45	-	45	-	3 916	3 750			
Other machinery and equipment	521	-	(476)	45	-	45	-	3 916	3 750			
Payment for financial assets	-	14 247	-	14 247	14 247	-	100.0%	-	-			
Total	73 226	10 804	(5 476)	78 554	77 822	732	99.1%	67 769	67 197			



Sub-programme: 1.6: Marketing Communication and Media Relations	2019/20							2018/19	
	Adjusted Appropriation R '000	Shifting of Funds R '000	Virement R '000	Final Appropriation R '000	Actual Expenditure R '000	Variance R '000	Expenditure as % of final appropriation %	Final Appropriation R '000	Actual Expenditure R '000
Economic classification									
Current payments	96 546	(10 896)	(6 387)	79 263	72 303	6 960	91.2%	93 329	93 129
Compensation of employees	38 071	(396)	–	37 675	30 842	6 833	81.9%	35 167	35 033
Salaries and wages	32 640	(889)	–	31 751	26 395	5 356	83.1%	30 283	30 152
Social contributions	5 431	493	–	5 924	4 447	1 477	75.1%	4 884	4 881
Goods and services	58 475	(10 500)	(6 387)	41 588	41 461	127	99.7%	58 162	58 096
Administrative fees	350	(86)	–	264	252	12	95.5%	289	287
Advertising	16 713	(6 582)	(3 990)	6 141	6 139	2	99.7%	22 592	22 589
Catering: Departmental activities	2 361	(1 118)	(144)	1 099	1 097	2	99.8%	1 394	1 392
Communication (G&S)	974	(774)	(130)	70	65	5	92.9%	153	151
Computer services	–	185	–	185	184	1	99.5%	151	151
Consultants: Business and advisory services	2 534	(1 530)	(920)	84	65	19	77.4%	35	–
Contractors	1 076	(45)	(965)	66	46	20	69.7%	–	–
Entertainment	123	(76)	(40)	7	–	7	–	1	1
Fleet services (including government motor transport)	463	(391)	(40)	32	14	18	43.8%	28	24
Consumable supplies	1 410	(1 228)	(140)	42	33	9	78.6%	17	15
Consumable: Stationery, printing and office supplies	148	(84)	(18)	46	44	2	95.7%	14	13
Operating leases	481	(47)		434	413	21	95.2%	494	489
Travel and subsistence	5 708	486	–	6 194	6 192	2	99.7%	8 541	8 537
Operating payments	6 656	(1 488)	–	5 168	5 167	1	99.7%	5 198	5 195
Venues and facilities	16 520	906	–	17 426	17 425	1	99.7%	16 263	16 262
Rental and hiring	2 958	1 372	–	4 330	4 325	5	99.9%	2 992	2 990

Sub-programme: 1.6: Marketing Communication and Media Relations	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	–	78	–	78	77	1	98.7%	186	184
Households	–	78	–	78	77	1	98.7%	186	184
Social benefits	–	–	–	–	–	–	–	55	54
Other transfers to households	–	78	–	78	77	1	98.7%	131	130
Payments for capital assets	–	564	–	564	562	2	99.6%	–	–
Machinery and equipment	–	564	–	564	562	2	99.6%	–	–
Other machinery and equipment	–	564	–	564	562	2	99.6%	–	–
Total	96 546	(10 254)	(6 387)	79 905	72 942	6 963	91.3%	93 515	93 313

Programme 2: International Trade and Economic Development	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
2.1 International Trade Development	109 484	3 947	(5 360)	108 071	108 034	37	99.7%	103 351	103 339
2.2 African Multilateral Economic Development	20 958	(3 947)	–	17 011	16 298	713	95.8%	18 742	18 736
Total	130 442	–	(5 360)	125 082	124 332	750	99.4%	122 093	122 075
Economic classification									
Current payments	101 551	(76)	–	101 475	100 756	719	99.3%	99 752	99 736
Compensation of employees	81 855	–	–	81 855	81 828	27	99.7%	77 069	77 067
Salaries and wages	70 896	1 589	–	72 485	72 460	25	99.7%	68 311	68 310
Social contributions	10 959	(1 589)	–	9 370	9 368	2	99.7%	8 758	8 757
Goods and services	19 696	(76)	–	19 620	18 928	692	96.5%	22 683	22 669
Administrative fees	196	(9)	–	187	186	1	99.5%	263	261
Minor assets	34	(34)	–	–	–	–	–	–	–
Catering: Departmental activities	89	(34)	–	55	50	5	90.9%	50	49
Communication (G&S)	616	(232)	–	384	384	–	100.0%	665	664
Consultants: Business and advisory services	259	68	–	327	326	1	99.7%	87	86
Legal services	956	(956)	–	–	–	–	–	368	368
Contractors	690	195	–	885	281	604	31.8%	1 028	1 028
Fleet services (including government motor transport)	–	–	–	–	–	–	–	12	11
Consumable supplies	31	(29)	–	2	2	–	100.0%	11	11
Consumable: Stationery, printing and office supplies	4	(3)	–	1	1	–	100.0%	1	–

Programme 2: International Trade and Economic Development	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	277	42	–	319	311	8	97.5%	362	359
Travel and subsistence	15 663	1 032	–	16 695	16 687	8	99.7%	16 679	16 679
Training and development	–	63	–	63	63	–	100.0%	–	–
Operating payments	353	(48)	–	305	304	1	99.7%	383	382
Venues and facilities	408	(51)	–	357	333	24	93.3%	2 288	2 287
Rental and hiring	120	(80)	–	40	–	40	–	486	484
Transfers and subsidies	28 190	76	(4 659)	23 607	23 576	31	99.9%	22 341	22 339
Departmental agencies and accounts	1 327	–	–	1 327	1 327	–	100.0%	1 257	1 257
Departmental agencies	1 327	–	–	1 327	1 327	–	100.0%	1 257	1 257
Foreign governments and international organisations	21 978	–	(4 659)	17 319	17 290	29	99.8%	16 207	16 205
Public corporations and private enterprises	4 885	–	–	4 885	4 883	2	99.7%	4 626	4 626
Public corporations	4 885	–	–	4 885	4 883	2	99.7%	4 626	4 626
Other transfers to public corporations	4 885	–	–	4 885	4 883	2	99.7%	4 626	4 626
Households	–	76	–	76	76	–	100.0%	251	251
Social benefits	–	70	–	70	70	–	100.0%	251	251
Other transfers to households	–	6	–	6	6	–	100.0%	–	–
Payments for capital assets	701	–	(701)	–	–	–	–	–	–
Machinery and equipment	701	–	(701)	–	–	–	–	–	–
Other machinery and equipment	701	–	(701)	–	–	–	–	–	–
	130 442	–	(5 360)	125 082	124 332	750	99.4%	122 093	122 075

Sub-programme: 2.1: International Trade Development	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	80 593	3 871	–	84 464	84 458	6	98%	81 010	81 000
Compensation of employees	66 347	3 143	–	69 490	69 489	1	99.7%	64 461	64 460
Salaries and wages	60 609	1 016	–	61 625	61 625	–	100.0%	57 175	57 174
Social contributions	5 738	2 127	–	7 865	7 864	1	99.7%	7 286	7 286
Goods and services	14 246	728	–	14 974	14 969	5	99.7%	16 549	16 540
Administrative fees	173	(25)	–	148	147	1	99.3%	190	189
Minor assets	34	(34)	–	–	–	–	–	–	–
Catering: Departmental activities	85	(34)	–	51	50	1	98.0%	41	40
Communication (G&S)	616	(232)	–	384	384	–	100.0%	665	664
Consultants: Business and advisory services	259	68	–	327	326	1	99.7%	87	86
Legal services	956	(956)	–	–	–	–	–	368	368
Contractors	10	271	–	281	281	–	100.0%	504	504
Fleet services (including government motor transport)	–	–	–	–	–	–	–	8	8
Consumable supplies	31	(29)	–	2	2	–	100.0%	11	11
Consumable: Stationery, printing and office supplies	4	(3)	–	1	1	–	100.0%	1	–
Operating leases	239	42	–	281	280	1	99.6%	305	303
Travel and subsistence	11 126	1 696	–	12 822	12 821	1	99.7%	12 459	12 459
Training and development	–	63	–	63	63	–	100.0%	–	–
Operating payments	335	(54)	–	281	281	–	100.0%	360	359
Venues and facilities	378	(45)	–	333	333	–	100.0%	1 346	1 346
Rental and hiring	–	–	–	–	–	–	–	204	203
Transfers and subsidies	28 190	76	(4 659)	23 607	23 576	31	99.9%	22 341	22 339
Departmental agencies and accounts	1 327	–	–	1 327	1 327	–	100.0%	1 257	1 257
Departmental agencies (non-business entities)	1 327	–	–	1 327	1 327	–	100.0%	1 257	1 257

Sub-programme: 2.1: International Trade Development	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Foreign governments and international organisations	21 978	–	(4 659)	17 319	17 290	29	99.8%	16 207	16 205
Public corporations and private enterprises	4 885	–	–	4 885	4 883	2	99.7%	4 626	4 626
Public corporations	4 885	–	–	4 885	4 883	2	99.7%	4 626	4 626
Other transfers to public corporations	4 885	–	–	4 885	4 883	2	99.7%	4 626	4 626
Households	–	76	–	76	76	–	100.0%	251	251
Social benefits	–	70	–	70	70	–	100.0%	251	251
Other transfers to households	–	6	–	6	6	–	100.0%	–	–
Payments for capital assets	701	–	(701)	–	–	–	–	–	–
Machinery and equipment	701	–	(701)	–	–	–	–	–	–
Other machinery and equipment	701	–	(701)	–	–	–	–	–	–
Total	109 484	3 947	(5 360)	108 071	108 034	37	97.0%	103 351	103 339



Sub-programme: 2.2: African Multilateral Economic Development	2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	R'000	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%		R'000	R'000
Economic classification										
Current payments	20 958	(3 747)	–	17 011	16 298	713	95.8%		18 742	18 736
Compensation of employees	15 508	(3 143)	–	12 365	12 339	26	99.8%		12 608	12 607
Salaries and wages	10 287	573	–	10 860	10 835	25	99.8%		11 136	11 136
Social contributions	5 221	(3 716)	–	1 505	1 504	1	99.9%		1 472	1 471
Goods and services	5 450	(804)	–	4 646	3 959	687	85.2%		6 134	6 129
Administrative fees	23	16	–	39	39	–	100.0%		73	72
Catering: Departmental activities	4			4	–	4	–		9	9
Contractors	680	(76)	–	604	–	604	–		524	524
Fleet services (including government motor transport)	–	–	–	–	–	–	–		4	3
Operating leases	38	–	–	38	31	7	81.6%		57	56
Travel and subsistence	4 537	(664)	–	3 873	3 866	7	99.8%		4 220	4 220
Operating payments	18	6	–	24	23	1	95.8%		23	23
Venues and facilities	30	(6)	–	24	–	24	–		942	941
Rental and hiring	120	(80)	–	40	–	40	–		282	281
Total	20 958	(3 947)	–	17 011	16 298	713	95.8%		18 742	18 736

Programme 3: Special Economic Zones and Economic Transformation	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Enterprise Competitiveness	49 297	1 046	–	50 343	49 451	892	98.2%	31 715	30 678
3.2 Equity and Empowerment	66 162	2 505	5 245	73 912	66 707	7 205	90.3%	57 800	47 642
3.3 Spatial Industrial Economic Development (Special Economic Zones)	44 585	(3 551)	–	41 034	40 142	892	97.8%	46 585	43 643
Total	160 044	–	5 245	165 289	156 300	8 989	94.6%	136 100	121 963
Economic classification									
Current payments	126 642	(163)	(3 864)	122 615	114 094	8 521	93.1%	122 290	108 165
Compensation of employees	79 094	–	2 202	81 296	81 295	1	99.7%	77 857	73 786
Salaries and wages	66 903	3 355	2 202	72 460	72 460	–	100.0%	66 534	66 280
Social contributions	12 191	(3 355)	–	8 836	8 835	1	99.7%	11 323	7 506
Goods and services	47 548	(163)	(6 066)	41 319	32 799	8 520	79.4%	44 433	34 379
Administrative fees	614	5	–	619	592	27	95.6%	564	498
Advertising	639	9	–	648	168	480	25.9%	1 033	899
Minor assets	247	(5)	–	242	6	236	2.5%	111	89
Catering: Departmental activities	1 818	(1 250)	–	568	377	191	66.4%	287	284
Communication (G&S)	788	73	–	861	296	565	34.4%	536	381
Computer services	510	2 739	–	3 249	3 248	1	99.7%	43	42
Consultants: Business and advisory services	5 176	4 107	–	9 283	6 975	2 308	75.1%	16 501	9 479
Legal services	1 860	(100)	–	1 760	1 210	550	68.8%	59	32
Contractors	1 505	(1 117)	–	388	387	1	99.7%	1 555	538
Entertainment	2	–	–	2	–	2	–	–	–
Fleet services (including government motor transport)	22	4	–	26	22	4	84.6%	32	31
Consumable supplies	164	(1)	–	163	58	105	35.6%	34	33
Consumable: Stationery, printing and office supplies	1 108	(129)	–	979	929	50	94.9%	270	266
Operating leases	3 624	1 563	(2 215)	2 972	2 239	733	75.3%	3 787	3 782

Programme 3: Special Economic Zones and Economic Transformation	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Property payments	93	30	–	123	39	84	31.7%	–	–
Travel and subsistence	15 621	(1 794)	(1 016)	12 811	11 610	1 201	90.6%	10 816	10 811
Training and development	2 090	(1 536)	–	554	–	554	–	466	3
Operating payments	2 165	(73)	(494)	1 598	652	946	40.8%	2 394	1 267
Venues and facilities	9 502	(2 823)	(2 341)	4 338	3 857	481	88.9%	5 910	5 909
Rental and hiring	–	135	–	135	134	1	99.3%	35	35
Transfers and subsidies	32 938	163	153	33 254	33 252	2	98.0%	11 874	11 871
Departmental agencies and accounts	30 996	–	–	30 996	30 996	–	100.0%	9 231	9 231
Departmental agencies	30 996	–	–	30 996	30 996	–	100.0%	9 231	9 231
Public corporations and private enterprises	1 942	–	–	1 942	1 942	–	100.0%	1 839	1 839
Public corporations	1 942	–	–	1 942	1 942	–	100.0%	1 839	1 839
Other transfers to public corporations	1 942	–	–	1 942	1 942	–	100.0%	1 839	1 839
Households	–	163	153	316	314	2	99.4%	804	801
Social benefits	–	163	146	309	308	1	99.7%	741	739
Other transfers to households	–	–	7	7	6	1	85.7%	63	62
Payments for capital assets	464	–	8 956	9 420	8 954	466	95.1%	1 526	1 518
Machinery and equipment	464	–	6 756	7 220	6 755	465	93.6%	521	514
Other machinery and equipment	464	–	6 756	7 220	6 755	465	93.6%	521	514
Software and other intangible assets	–	–	2 200	2 200	2 199	1	99.7%	1 005	1 004
Payment for financial assets	–	–	–	–	–	–	–	410	409
Total	160 044	–	5 245	165 289	156 300	8 989	94.6%	136 100	121 963

Sub-programme: 3.1: Enterprise Competitiveness	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	16 359	901	–	17 260	16 368	892	94.8%	20 640	19 604
Compensation of employees	13 164	1 046	–	14 210	14 209	1	99.7%	14 889	13 861
Salaries and wages	10 259	2 358	–	12 617	12 617	–	100.0%	12 345	12 345
Social contributions	2 905	(1 312)	–	1 593	1 592	1	99.9%	2 544	1 516
Goods and services	3 195	(145)	–	3 050	2 159	891	70.8%	5 751	5 743
Administrative fees	68	–	–	68	64	4	94.1%	90	89
Advertising	339	–	–	339	–	339	–	–	–
Minor assets	5	–	–	5	–	5	–	–	–
Catering: Departmental activities	40	–	–	40	11	29	27.5%	4	3
Communication (G&S)	41	–	–	41	–	41	–	–	–
Consultants: Business and advisory services	487	(31)	–	456	–	456	–	4 299	4 298
Legal services	–	31	–	31	30	1	96.8%	–	–
Entertainment	2	–	–	2	–	2	–	–	–
Fleet services (including government motor transport)	–	2	–	2	2	–	100.0%	9	9
Consumable supplies	9	(2)	–	7	1	6	14.3%	1	1
Consumable: Stationery, printing and office supplies	2	–	–	2	1	1	50.0%	–	–
Operating leases	59	7	–	66	65	1	98.5%	76	71
Travel and subsistence	1 514	(48)	–	1 466	1 460	6	99.6%	1 026	1 026
Operating payments	53	(52)	–	1	1	–	100.0%	–	–
Venues and facilities	576	(52)	–	524	524	–	100.0%	246	246
Transfers and subsidies	32 938	145	–	33 083	33 083	–	100.0%	11 075	11 074



Sub-programme: 3.1: Enterprise Competitiveness	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies and accounts	30 996	–	–	30 996	30 996	–	100.0%	9 231	9 231
Departmental agencies (non-business entities)	30 996	–	–	30 996	30 996	–	100.0%	9 231	9 231
Public corporations and private enterprises	1 942	-	-	1 942	1 942	-	100.0%	1 839	1 839
Public corporations	1 942	-	-	1 942	1 942	-	100.0%	1 839	1 839
Other transfers to public corporations	1 942	-	-	1 942	1 942	-	100.0%	1 839	1 839
Households	-	145	-	145	145	-	100.0%	5	4
Social benefits	-	145	-	145	145	-	100.0%	5	4
Total	49 297	1 046	-	50 343	49 451	892	98.2%	31 715	30 678

Sub-programme: 3.2: Equity and Empowerment	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	66 162	2 505	(3 864)	64 803	57 602	7 201	88.9%	55 674	45 526
Compensation of employees	30 095	4 561	2 202	36 858	36 858	–	100.0%	28 819	28 706
Salaries and wages	26 020	4 799	2 202	33 021	33 021	–	100.0%	26 197	26 197
Social contributions	4 075	(238)	–	3 837	3 837	–	100.0%	2 622	2 509
Goods and services	36 067	(2 056)	(6 066)	27 945	20 744	7 201	74.2%	26 855	16 820
Administrative fees	348	7	–	355	355	–	100.0%	278	213
Advertising	300	9	–	309	168	141	54.4%	833	699
Minor assets	242	(7)	–	235	4	231	1.7%	111	89
Catering: Departmental activities	1 557	(1 250)	–	307	306	1	99.7%	149	148
Communication (G&S)	657	–	–	657	134	523	20.4%	243	88
Computer services	510	2 739	–	3 249	3 248	1	99.7%	43	42
Consultants: Business and advisory services	3 210	4 241	–	7 451	5 644	1 807	75.7%	9 111	2 091
Legal services	1 600	–	–	1 600	1 180	420	73.8%	59	32
Contractors	1 500	(1 248)	–	252	251	1	99.6%	1 473	456
Fleet services (including government motor transport)	7	9	–	16	16	–	100.0%	12	11
Consumable supplies	151	–	–	151	53	98	35.1%	26	25
Consumable: Stationery, printing and office supplies	1 101	(135)	–	966	918	48	95.0%	207	204



Sub-programme: 3.2: Equity and Empowerment	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	3 533	(500)	(2 215)	818	86	732	10.5%	3 668	3 668
Property payments	93	–	–	93	10	83	10.8%	–	–
Travel and subsistence	8 437	(1 517)	(1 016)	5 904	4 759	1 145	80.6%	3 953	3 948
Training and development	2 090	(1 536)	–	554	–	554	–	466	3
Operating payments	2 043	(3)	(494)	1 546	611	935	39.5%	2 373	1 254
Venues and facilities	8 688	(3 000)	(2 341)	3 347	2 867	480	85.7%	3 815	3 814
Rental and hiring	–	135	–	135	134	1	99.3%	35	35
Transfers and subsidies	–	–	153	153	151	2	98.7%	200	199
Households	–	–	153	153	151	2	98.7%	200	199
Social benefits	–	–	146	146	145	1	99.3%	137	137
Other transfers to households	–	–	7	7	6	1	85.7%	63	62
Payments for capital assets	–	–	8 956	8 956	8 954	2	98.0%	1 516	1 508
Machinery and equipment	–	–	6 756	6 756	6 755	1	99.7%	511	504
Other machinery and equipment	–	–	6 756	6 756	6 755	1	99.7%	511	504
Software and other intangible assets	–	–	2 200	2 200	2 199	1	99.7%	1 005	1 004
Payment for financial assets	–	–	–	–	–	–	–	410	409
Total	66 162	2 505	5 245	73 912	66 707	7 205	90.3%	57 800	47 642

Sub-programme 3.3: Spatial Industrial Economic Development (Special Economic Zones)	2019/20										2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure		R'000	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000			
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000			
Current payments	44 121	(3 569)	-	40 552	40 124	428	98.9%	45 976	43 035			
Compensation of employees	35 835	(5 607)	-	30 228	30 228	-	100.0%	34 149	31 219			
Salaries and wages	30 624	(3 802)	-	26 822	26 822	-	100.0%	27 992	27 738			
Social contributions	5 211	(1 805)	-	3 406	3 406	-	100.0%	6 157	3 481			
Goods and services	8 286	2 038	-	10 324	9 896	428	95.9%	11 827	11 816			
Administrative fees	198	(2)	-	196	173	23	88.3%	196	196			
Advertising	-	-	-	-	-	-	-	200	200			
Minor assets	-	2	-	2	2	-	100.0%	-	-			
Catering: Departmental activities	221	-	-	221	60	161	27.1%	134	133			
Communication (G&S)	90	73	-	163	162	1	99.4%	293	293			
Consultants: Business and advisory services	1 479	(103)	-	1 376	1 331	45	96.7%	3 091	3 090			
Legal services	260	(131)	-	129	-	129	-	-	-			
Contractors	5	131	-	136	136	-	100.0%	82	82			
Fleet services (including government motor transport)	15	(7)	-	8	4	4	50.0%	11	11			
Consumable supplies	4	1	-	5	4	1	80.0%	7	7			
Consumable: Stationery, printing and office supplies	5	6	-	11	10	1	90.9%	63	62			
Operating leases	32	2 056	-	2 088	2 088	-	100.0%	43	43			
Property payments	-	30	-	30	29	1	96.7%	-	-			
Travel and subsistence	5 670	(229)	-	5 441	5 391	50	99.1%	5 837	5 837			
Operating payments	69	(18)	-	51	40	11	78.4%	21	13			
Venues and facilities	238	229	-	467	466	1	99.8%	1 849	1 849			
Transfers and subsidies	-	18	-	18	18	-	100.0%	599	598			
Households	-	18	-	18	18	-	100.0%	599	598			
Social benefits	-	18	-	18	18	-	100.0%	599	598			
Payments for capital assets	464	-	-	464	-	464	-	10	10			
Machinery and equipment	464	-	-	464	-	464	-	10	10			
Other machinery and equipment	464	-	-	464	-	464	-	10	10			
Total	44 585	(3 551)	-	41 034	40 142	892	97.8%	46 585	43 643			

Programme 4: Industrial Development	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
4.1 Industrial Competitiveness	1 067 795	(11 152)	(6 760)	1 049 883	1 035 834	14 049	98.7%	1 015 793	1 015 782
4.2 Customised Sector Programmes	1 033 019	11 152	(2 493)	1 041 678	1 040 772	906	99.9%	1 002 852	1 002 843
	2 100 814	–	(9 253)	2 091 561	2 076 606	14 955	99.3%	2 018 645	2 018 625
Economic classification									
Current payments	142 577	(46)	(8 394)	134 137	122 174	11 963	91.1%	121 625	121 610
Compensation of employees	123 063	–	(2 202)	120 861	109 811	11 050	90.9%	110 588	110 586
Salaries and wages	99 934	3 279	(2 202)	101 011	97 922	3 089	96.9%	98 710	98 709
Social contributions	23 129	(3 279)	–	19 850	11 889	7 961	59.9%	11 878	11 877
Goods and services	19 514	(46)	(6 192)	13 276	12 363	913	93.1%	11 037	11 024
Administrative fees	913	–	(248)	665	340	325	51.1%	338	337
Advertising	–	–	–	–	–	–	–	14	13
Minor assets	27	(7)	(8)	12	2	10	16.7%	2	2
Catering: Departmental activities	374	38	(161)	251	250	1	99.6%	115	114
Communication (G&S)	545	(39)	(239)	267	203	64	76.0%	314	311
Consultants: Business and advisory services	2 416	(1 721)	(133)	562	235	327	41.8%	6	6
Legal services	14	942	–	956	955	1	99.9%	155	154
Contractors	10	1	–	11	11	–	100.0%	72	71
Entertainment	12	(4)	(5)	3	–	3	–	–	–
Fleet services (including government motor transport)	17	4	(16)	5	5	–	100.0%	15	14
Consumable supplies	152	–	(94)	58	18	40	31.0%	10	9
Consumable: Stationery, printing and office supplies	546	–	(478)	68	2	66	2.9%	11	10
Operating leases	401	–	(44)	357	285	72	79.8%	325	324
Travel and subsistence	12 711	(46)	(4 047)	8 618	8 616	2	99.7%	7 762	7 762
Training and development	–	–	–	–	–	–	–	200	200
Operating payments	1 115	313	(719)	709	708	1	99.9%	1 231	1 230

Programme 4: Industrial Development		2019/20						2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	261	473	–	734	733	1	99.9%	467	467
Transfers and subsidies	1 957 302	46	76	1 957 424	1 954 432	2 992	99.8%	1 897 020	1 897 015
Departmental agencies and accounts	416 206	–	–	416 206	416 206	–	100.0%	409 920	409 920
Social security funds	–	–	–	–	–	–	–	–	–
Departmental agencies	416 206	–	–	416 206	416 206	–	100.0%	409 920	409 920
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	9 569	–	–	9 569	6 577	2 992	68.7%	6 793	6 792
Public corporations and private enterprises	1 352 630	–	–	1 352 630	1 352 630	–	100.0%	1 277 517	1 277 515
Public corporations	1 352 630	–	–	1 352 630	1 352 630	–	100.0%	1 277 517	1 277 515
Other transfers to public corporations	1 352 630	–	–	1 352 630	1 352 630	–	100.0%	1 277 517	1 277 515
Non-profit institutions	178 897	–	–	178 897	178 897	–	100.0%	202 430	202 430
Households	–	46	76	122	122	–	100.0%	360	358
Social benefits	–	46	76	122	122	–	100.0%	266	264
Other transfers to households	–	–	–	–	–	–	–	94	94
Payments for capital assets	935	–	(935)	–	–	–	–	–	–
Machinery and equipment	935	–	(935)	–	–	–	–	–	–
Transport equipment	343	–	(343)	–	–	–	–	–	–
Other machinery and equipment	592	–	(592)	–	–	–	–	–	–
Total	2 100 814	–	(9 253)	2 091 561	2 076 606	14 955	99.3%	2 018 645	2 018 625

Sub-programme: 4.1: Industrial Competitiveness	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	67 566	(11 152)	(6 428)	49 986	38 929	11 057	77.9%	43 920	43 911
Compensation of employees	58 851	(11 152)	(2 202)	45 497	34 447	11 050	75.7%	39 545	39 544
Salaries and wages	47 289	(11 152)	(2 202)	33 935	30 846	3 089	90.9%	35 448	35 448
Social contributions	11 562	–	–	11 562	3 601	7 961	31.1%	4 097	4 096
Goods and services	8 715	–	(4 226)	4 489	4 482	7	99.8%	4 375	4 367
Administrative fees	343	–	(248)	95	95	–	100.0%	108	107
Minor assets	17	(7)	(8)	2	2	–	100.0%	–	–
Catering: Departmental activities	230	–	(161)	69	69	–	100.0%	63	63
Communication (G&S)	441	–	(239)	202	201	1	99.5%	288	285
Consultants: Business and advisory services	905	(536)	(133)	236	235	1	99.6%	4	4
Legal services	–	536	–	536	536	–	100.0%	91	91
Contractors	–	–	–	–	–	–	–	62	62
Entertainment	4	–	(4)	–	–	–	–	–	–
Fleet services (including government motor transport)	17	–	(16)	1	1	–	100.0%	4	3
Consumable supplies	104	–	(94)	10	9	1	90.0%	3	2
Consumable: Stationery, printing and office supplies	339	–	(336)	3	2	1	66.7%	9	8
Operating leases	78	–	(44)	34	33	1	97.1%	23	23
Travel and subsistence	5 141	–	(2 224)	2 917	2 916	1	99.7%	2 620	2 620
Operating payments	835	–	(719)	116	116	–	100.0%	806	806
Venues and facilities	261	7	–	268	267	1	99.6%	280	280

Sub-programme: 4.1: Industrial Competitiveness	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	999 886	-	11	999 897	996 905	2 992	99.7%	971 873	971 871
Departmental agencies and accounts	416 206	-	-	416 206	416 206	-	100.0%	409 920	409 920
Departmental agencies (non-business entities)	416 206	-	-	416 206	416 206	-	100.0%	409 920	409 920
Foreign governments and international organisations	9 569	-	-	9 569	6 577	2 992	68.7%	6 793	6 792
Public corporations and private enterprises	420 384	-	-	420 384	420 384	-	100.0%	375 931	375 931
Public corporations	420 384	-	-	420 384	420 384	-	100.0%	375 931	375 931
Other transfers to public corporations	420 384	-	-	420 384	420 384	-	100.0%	375 931	375 931
Non-profit institutions	153 727	-	-	153 727	153 727	-	100.0%	178 956	178 956
Households	-	-	11	11	11	-	100.0%	273	272
Social benefits	-	-	11	11	11	-	100.0%	179	178
Other transfers to households	-	-	-	-	-	-	-	94	94
Payments for capital assets	343	-	(343)	-	-	-	-	-	-
Machinery and equipment	343	-	(343)	-	-	-	-	-	-
Transport equipment	343	-	(343)	-	-	-	-	-	-
Total	1 067 795	(11 152)	(6 760)	1 049 883	1 035 834	14 049	98.7%	1 015 793	1 015 782

Sub-programme: 4.2: Customised Sector Programmes	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	75 011	11 106	(1 966)	84 151	83 245	906	98.9%	77 705	77 699
Compensation of employees	64 212	11 152	–	75 364	75 364	–	100.0%	71 043	71 042
Salaries and wages	52 645	14 431	–	67 076	67 076	–	100.0%	63 262	63 261
Social contributions	11 567	(3 279)	–	8 288	8 288	–	100.0%	7 781	7 781
Goods and services	10 799	(46)	(1 966)	8 787	7 881	906	89.7%	6 662	6 657
Administrative fees	570	–	–	570	245	325	43.0%	230	230
Minor assets	10	–	–	10	–	10	–	2	2
Catering: Departmental activities	144	38	–	182	181	1	99.5%	52	51
Communication (G&S)	104	(39)	–	65	2	63	3.1%	26	26
Consultants: Business and advisory services	1 511	(1 185)	–	326	–	326	–	2	2
Legal services	14	406	–	420	419	1	99.8%	64	63
Contractors	10	1	–	11	11	–	100.0%	10	9
Entertainment	8	(4)	(1)	3	–	3	–	–	–
Fleet services (including government motor transport)	–	4	–	4	4	–	100.0%	11	11
Consumable supplies	48	–	–	48	9	39	18.8%	7	7
Consumable: Stationery, printing and office supplies	207	–	(142)	65	–	65	–	2	2
Operating leases	323	–	–	323	252	71	78.0%	302	301
Travel and subsistence	7 570	(46)	(1 823)	5 701	5 700	1	99.7%	5 142	5 142
Training and development	–	–	–	–	–	–	–	200	200
Operating payments	280	313	–	593	592	1	99.8%	425	424
Venues and facilities	–	466	–	466	466	–	100.0%	187	187

Sub-programme: 4.2: Customised Sector Programmes	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	957 416	46	65	957 527	957 527	–	100.0%	925 147	925 144
Public corporations and private enterprises	932 246	–	–	932 246	932 246	–	100.0%	901 586	901 584
Public corporations	932 246	–	–	932 246	932 246	–	100.0%	901 586	901 584
Other transfers to public corporations	932 246	–	–	932 246	932 246	–	100.0%	901 586	901 584
Non-profit institutions	25 170	–	–	25 170	25 170	–	100.0%	23 474	23 474
Households	–	46	65	111	111	–	100.0%	87	86
Social benefits	–	46	65	111	111	–	100.0%	87	86
Payments for capital assets	592	–	(592)	–	–	–	–	–	–
Machinery and equipment	592	–	(592)	–	–	–	–	–	–
Other machinery and equipment	592	–	(592)	–	–	–	–	–	–
Total	1 033 019	11 152	(2 493)	1 041 678	1 040 772	906	99.9%	1 002 852	1 002 843

Programme 5: Consumer and Corporate Regulation	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Policy and Legislative Development	19 484	(239)	(1 394)	17 851	16 942	909	94.9%	19 123	19 116
5.2 Enforcement and Compliance	47 389	374	(2 455)	45 308	42 179	3 129	93.1%	40 431	39 851
5.3 Regulatory Services	272 832	(135)	359	273 056	270 787	2 269	99.2%	264 889	264 879
Total	339 705	–	(3 490)	336 215	329 908	6 307	98.1%	324 443	323 846
Economic classification									
Current payments	81 104	–	(3 984)	77 120	70 964	6 156	92.0%	72 544	71 951
Compensation of employees	61 059	–	–	61 059	54 923	6 136	90.0%	55 248	54 674
Salaries and wages	49 187	741	–	49 928	48 593	1 335	97.3%	48 973	48 400
Social contributions	11 872	(741)	–	11 131	6 330	4 801	56.9%	6 275	6 274
Goods and services	20 045	–	(3 984)	16 061	16 041	20	99.9%	17 296	17 277
Administrative fees	309	(43)	–	266	264	2	99.2%	333	331
Advertising	1 365	103	–	1 468	1 468	–	100.0%	1 669	1 669
Catering: Departmental activities	756	(183)	(120)	453	451	2	99.6%	996	995
Communication (G&S)	171	(73)	–	98	98	–	100.0%	145	143
Computer services	655	–	(655)	–	–	–	–	–	–
Consultants: Business and advisory services	3 905	(81)	(2 985)	839	837	2	99.8%	2 414	2 411
Legal services	3 526	1 283	1 016	5 825	5 824	1	99.7%	3 474	3 474
Fleet services (including government motor transport)	166	55	–	221	219	2	99.1%	100	98
Consumable supplies	14	8	–	22	21	1	95.5%	9	8
Consumable: Stationery, printing and office supplies	–	2	–	2	1	1	50.0%	4	4
Operating leases	87	119	–	206	203	3	98.5%	87	85

Programme 5: Consumer and Corporate Regulation	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
Travel and subsistence	8 015	(1 175)	(527)	6 313	6 313	–	100.0%	7 055	7 053
Training and development	–	–	–	–	–	–	–	282	281
Operating payments	631	30	(400)	261	259	2	99.2%	370	368
Venues and facilities	389	(73)	(313)	3	–	3	–	283	282
Rental and hiring	56	28	–	84	83	1	98.8%	75	75
Transfers and subsidies	258 451	–	251	258 702	258 702	–	100.0%	251 857	251 854
Departmental agencies and accounts	252 672	–	–	252 672	252 672	–	100.0%	247 087	247 087
Departmental agencies	252 672	–	–	252 672	252 672	–	100.0%	247 087	247 087
Foreign governments and international organisations	5 779	–	–	5 779	5 779	–	100.0%	4 653	4 653
Households	–	–	251	251	251	–	100.0%	117	114
Social benefits	–	–	251	251	251	–	100.0%	68	65
Other transfers to households	–	–	–	–	–	–	–	49	49
Payments for capital assets	150	–	–	150	–	150	–	42	41
Machinery and equipment	150	–	–	150	–	150	–	42	41
Other machinery and equipment	150	–	–	150	–	150	–	42	41
Payment for financial assets	–	–	243	243	242	1	99.6%	–	–
Total	339 705	–	(3 490)	336 215	329 908	6 307	98.1%	324 443	323 846



Sub-programme: 5.1: Policy and Legislative Development	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	19 484	(239)	(1 394)	17 851	16 942	909	94.9%	19 120	19 114
Compensation of employees	14 480	–	–	14 480	13 581	899	93.8%	15 103	15 101
Salaries and wages	12 136	–	–	12 136	12 107	29	99.8%	13 509	13 508
Social contributions	2 344	–	–	2 344	1 474	870	62.9%	1 594	1 593
Goods and services	5 004	(239)	(1 394)	3 371	3 361	10	99.7%	4 017	4 013
Administrative fees	139	(26)	–	113	112	1	99.1%	141	141
Advertising	–	–	–	–	–	–	–	52	52
Catering: Departmental activities	343	(99)	–	244	243	1	99.6%	574	573
Communication (G&S)	32	(32)	–	–	–	–	–	–	–
Consultants: Business and advisory services	547	–	(547)	–	–	–	–	95	94
Fleet services (including government motor transport)	31	44	–	75	74	1	98.7%	23	22
Consumable supplies	–	1	–	1	–	1	–	–	–
Operating leases	25	4	–	29	28	1	96.6%	30	30
Travel and subsistence	3 193	(193)	(307)	2 693	2 693	–	100.0%	2 685	2 684
Operating payments	540	(6)	(400)	134	133	1	99.3%	358	358
Venues and facilities	148	(5)	(140)	3	–	3	–	–	–
Rental and hiring	6	73	–	79	78	1	98.7%	59	59
Transfers and subsidies	–	–	–	–	–	–	–	3	2
Households	–	–	–	–	–	–	–	3	2
Social benefits	–	–	–	–	–	–	–	3	2
Total	19 484	(239)	(1 394)	17 851	16 942	909	94.9%	19 123	19 116

Sub-programme: 5.2: Enforcement and Compliance	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	47 389	374	(2 590)	45 173	42 044	3 129	93.1%	40 280	39 702
Compensation of employees	34 004	–	–	34 004	30 880	3 124	90.8%	29 037	28 466
Salaries and wages	26 494	741	–	27 235	27 235	–	100.0%	25 715	25 144
Social contributions	7 510	(741)	–	6 769	3 645	3 124	53.8%	3 322	3 322
Goods and services	13 385	374	(2 590)	11 169	11 164	5	100.0%	11 243	11 236
Administrative fees	115	(6)	–	109	108	1	99.1%	137	136
Advertising	1 365	103	–	1 468	1 468	–	100.0%	1 617	1 617
Catering: Departmental activities	277	(65)	(120)	92	92	–	100.0%	354	354
Communication (G&S)	75	(75)	–	–	–	–	–	7	6
Computer services	655	–	(655)	–	–	–	–	–	–
Consultants: Business and advisory services	3 190	(59)	(2 438)	693	692	1	99.9%	2 112	2 111
Legal services	3 526	1 283	1 016	5 825	5 824	1	99.7%	3 474	3 474
Fleet services (including government motor transport)	124	10	–	134	134	–	100.0%	76	75
Consumable supplies	–	3	–	3	3	–	100.0%	6	6
Consumable: Stationery, printing and office supplies	–	1	–	1	1	–	100.0%	1	1
Operating leases	57	117	–	174	173	1	99.4%	55	54
Travel and subsistence	3 619	(859)	(220)	2 540	2 540	–	100.0%	3 094	3 094
Operating payments	91	34	–	125	124	1	99.2%	11	10
Venues and facilities	241	(68)	(173)	–	–	–	–	283	282
Rental and hiring	50	(45)	–	5	5	–	100.0%	16	16
Transfers and subsidies	–	–	135	135	135	–	100.0%	109	108
Households	–	–	135	135	135	–	100.0%	109	108
Social benefits	–	–	135	135	135	–	100.0%	60	59
Other transfers to households	–	–	–	–	–	–	–	49	49
Payments for capital assets	–	–	–	–	–	–	–	42	41
Machinery and equipment	–	–	–	–	–	–	–	42	41
Other machinery and equipment	–	–	–	–	–	–	–	42	41
Total	47 389	374	(2 455)	45 308	42 179	3 129	93.1%	40 431	39 851



Sub-programme: 5.3: Regulatory Services	2019/20										2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure			
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000			
Current payments	14 231	(135)	–	14 096	11 978	2 118	85.0%	13 144	13 135			
Compensation of employees	12 575	–	–	12 575	10 462	2 113	83.2%	11 108	11 107			
Salaries and wages	10 557	–	–	10 557	9 251	1 306	87.6%	9 749	9 748			
Social contributions	2 018	–	–	2 018	1 211	807	60.0%	1 359	1 359			
Goods and services	1 656	(135)	–	1 521	1 516	5	99.7%	2 036	2 028			
Administrative fees	55	(11)	–	44	44	–	100.0%	55	54			
Catering: Departmental activities	136	(19)	–	117	116	1	99.1%	68	68			
Communication (G&S)	64	34	–	98	98	–	100.0%	138	137			
Consultants: Business and advisory services	168	(22)	–	146	145	1	99.3%	207	206			
Fleet services (including government motor transport)	11	1	–	12	11	1	91.7%	1	1			
Consumable supplies	14	4	–	18	18	–	100.0%	3	2			
Consumable: Stationery, printing and office supplies	–	1	–	1	–	1	–	3	3			
Operating leases	5	(2)	–	3	2	1	66.7%	2	1			
Travel and subsistence	1 203	(123)	–	1 080	1 080	–	100.0%	1 276	1 275			
Training and development	–	–	–	–	–	–	–	282	281			
Operating payments	–	2	–	2	2	–	100.0%	1	–			
Transfers and subsidies	258 451	–	116	258 567	258 567	–	100.0%	251 745	251 744			
Departmental agencies and accounts	252 672	–	–	252 672	252 672	–	100.0%	247 087	247 087			
Departmental agencies (non-business entities)	252 672	–	–	252 672	252 672	–	100.0%	247 087	247 087			

Sub-programme: 5.3: Regulatory Services	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Foreign governments and international organisations	5 779	–	–	5 779	5 779	–	100.0%	4 653	4 653
Households	–	–	116	116	116	–	100.0%	5	4
Social benefits	–	–	116	116	116	–	100.0%	5	4
Payments for capital assets	150	–	–	150	–	150	–	–	–
Machinery and equipment	150	–	–	150	–	150	–	–	–
Other machinery and equipment	150	–	–	150	–	150	–	–	–
Payment for financial assets	–	–	243	243	242	1	99.6%	–	–
Total	272 832	(135)	359	273 056	270 787	2 269	99.2%	264 889	264 879

Programme 6: Incentive Development and Administration		2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
6.1 Broadening Participation Incentives	46 584	(21 628)	–	24 956	19 518	5 438	78.2%	43 049	33 822	
6.2 Manufacturing Incentives	3 607 692	(113 625)	(5 970)	3 488 097	3 470 222	17 875	99.5%	3 326 007	3 325 200	
6.3 Services Investment Incentives	823 173	4	(7 211)	815 966	815 531	435	99.9%	841 456	840 720	
6.4 Infrastructure Investment Support	1 430 511	141 744	–	1 572 255	1 567 255	5 000	99.7%	1 329 127	1 328 862	
6.5 Product and Systems Development	21 840	(2 482)	(2 826)	16 532	13 544	2 988	81.9%	13 786	13 779	
6.6 Strategic Partnership and Customer Care	23 530	(4 013)	–	19 517	16 859	2 658	86.4%	18 276	18 268	
	5 953 330	–	(16 007)	5 937 323	5 902 929	34 394	99.4%	5 571 701	5 560 651	
Economic classification										
Current payments	185 420	–	(15 772)	169 648	162 107	7 541	95.6%	165 446	165 370	
Compensation of employees	153 438	–	(10 037)	143 401	139 305	4 096	97.1%	137 945	137 937	
Salaries and wages	126 971	4 471	(7 623)	123 819	122 513	1 306	98.9%	121 432	121 428	
Social contributions	26 467	(4 471)	(2 414)	19 582	16 792	2 790	85.8%	16 513	16 509	
Goods and services	31 982	–	(5 735)	26 247	22 802	3 445	86.9%	27 501	27 433	
Administrative fees	177	254	–	431	429	2	99.5%	470	467	
Minor assets	26	(2)	(23)	1	1	–	100.0%	2	1	
Catering: Departmental activities	421	(85)	(176)	160	117	43	73.1%	132	131	
Communication (G&S)	605	(114)	(123)	368	256	112	69.6%	288	285	
Consultants: Business and advisory services	12 404	(2 468)	(3 689)	6 247	6 247	–	100.0%	8 746	8 720	
Legal services	3 982	585	–	4 567	4 566	1	99.7%	5 581	5 581	
Contractors	67	(27)	(40)	–	–	–	–	17	16	
Agency and support / outsourced services	53	(14)	(39)	–	–	–	–	–	–	
Entertainment	36	–	(36)	–	–	–	–	–	–	
Fleet services (including government motor transport)	159	–	(77)	82	36	46	43.9%	31	21	
Consumable supplies	94	–	(73)	21	20	1	95.2%	10	10	

Programme 6: Incentive Development and Administration		2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Consumable: Stationery, printing and office supplies	76	(16)	(59)	1	1	–	100.0%	36	36	
Operating leases	949	71	–	1 020	919	101	90.1%	1 084	1 066	
Property payments	115	–	(11)	104	104	–	100.0%	197	197	
Transport provided: Departmental activity	–	–	–	–	–	–	–	–	–	
Travel and subsistence	11 394	1 815	–	13 209	10 071	3 138	76.2%	10 481	10 478	
Training and development	–	–	–	–	–	–	–	123	122	
Operating payments	483	1	(448)	36	35	1	97.2%	23	22	
Venues and facilities	941	–	(941)	–	–	–	–	280	280	
Transfers and subsidies	5 765 564	–	(235)	5 765 329	5 740 822	24 507	99.6%	5 406 192	5 395 222	
Public corporations and private enterprises	5 764 671	–	–	5 764 671	5 740 167	24 504	99.6%	5 405 854	5 394 887	
Public corporations	1 996 280	195 000	–	2 191 280	2 187 976	3 304	99.8%	1 542 157	1 542 156	
Other transfers to public corporations	1 996 280	195 000	–	2 191 280	2 187 976	3 304	99.8%	1 542 157	1 542 156	
Private enterprises	3 768 391	(195 000)	–	3 573 391	3 552 191	21 200	99.4%	3 863 697	3 852 731	
Subsidies on products and production (pe)	3 363 589	(98 000)	–	3 265 589	3 264 584	1 005	86.0%	3 534 097	3 532 602	
Other transfers to private enterprises	404 802	(97 000)	–	307 802	287 607	20 195	93.4%	329 600	320 129	
Households	893	–	(235)	658	655	3	99.5%	338	335	
Social benefits	893	(132)	(235)	526	523	3	99.4%	338	335	
Other transfers to households	–	132	–	132	132	–	100.0%	–	–	
Payments for capital assets	2 346	–	–	2 346	–	2 346	–	63	59	
Machinery and equipment	2 346	–	–	2 346	–	2 346	–	63	59	
Other machinery and equipment	2 346	–	–	2 346	–	2 346	–	63	59	
Total	5 953 330	–	(16 007)	5 937 323	5 902 929	34 394	99.4%	5 571 701	5 560 651	



Sub-programme: 6.1: Broadening Participation Incentives	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5 001	372	–	5 373	5 369	4	99.9%	5 404	5 391
Compensation of employees	4 842	8	–	4 850	4 850	–	100.0%	4 793	4 792
Salaries and wages	4 441	(322)	–	4 119	4 119	–	100.0%	4 121	4 121
Social contributions	401	330	–	731	731	–	100.0%	672	671
Goods and services	159	364	–	523	519	4	99.2%	611	599
Administrative fees	–	27	–	27	27	–	100.0%	32	31
Catering: Departmental activities	–	2	–	2	1	1	50.0%	–	–
Fleet services (including government motor transport)	2	–	–	2	–	2	–	2	–
Operating leases	18	42	–	60	60	–	100.0%	123	115
Travel and subsistence	139	293	–	432	431	1	99.8%	454	453
Transfers and subsidies	41 583	(22 000)	–	19 583	14 149	5 434	72.3%	37 645	28 431
Public corporations and private enterprises	41 433	(22 000)	–	19 433	13 999	5 434	72.0%	37 645	28 431
Private enterprises	41 433	(22 000)	–	19 433	13 999	5 434	72.0%	37 645	28 431
Other transfers to private enterprises	41 433	(22 000)	–	19 433	13 999	5 434	72.0%	37 645	28 431
Households	150	–	–	150	150	–	100.0%	–	–
Social benefits	150	–	–	150	150	–	100.0%	–	–
Total	46 584	(21 628)	–	24 956	19 518	5 438	78.2%	43 049	33 822

Sub-programme: 6.2: Manufacturing Incentives	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	105 561	(372)	(5 735)	99 454	98 675	779	99.2%	101 155	101 120
Compensation of employees	81 804	(8)	–	81 796	81 022	774	99.1%	79 635	79 633
Salaries and wages	66 207	4 793	–	71 000	71 000	–	100.0%	69 791	69 790
Social contributions	15 597	(4 801)	–	10 796	10 022	774	92.8%	9 844	9 843
Goods and services	23 757	(364)	(5 735)	17 658	17 653	5	100.0%	21 520	21 487
Administrative fees	169	59	–	228	228	–	100.0%	229	228
Minor assets	26	(2)	(23)	1	1	–	100.0%	2	1
Catering: Departmental activities	373	(87)	(176)	110	109	1	99.1%	127	126
Communication (G&S)	377	–	(123)	254	253	1	99.6%	277	276
Consultants: Business and advisory services	12 404	(2 468)	(3 689)	6 247	6 247	–	100.0%	8 724	8 698
Legal services	3 982	585	–	4 567	4 566	1	99.7%	5 581	5 581
Contractors	67	(27)	(40)	–	–	–	–	17	16
Agency and support / outsourced services	53	(14)	(39)	–	–	–	–	–	–
Entertainment	36	–	(36)	–	–	–	–	–	–
Fleet services (including government motor transport)	111	–	(77)	34	34	–	100.0%	12	12
Consumable supplies	94	–	(73)	21	20	1	95.2%	10	10
Consumable: Stationery, printing and office supplies	76	(16)	(59)	1	1	–	100.0%	36	36
Operating leases	390	16	–	406	406	–	100.0%	425	425
Property payments	115	–	(11)	104	104	–	100.0%	172	172
Transport provided: Departmental activity	–	–	–	–	–	–	–	–	–
Travel and subsistence	4 060	1 590	–	5 650	5 650	–	100.0%	5 561	5 560
Training and development	–	–	–	–	–	–	–	100	99
Operating payments	483	–	(448)	35	34	1	97.1%	22	22
Venues and facilities	941	–	(941)	–	–	–	–	225	225



Sub-programme: 6.2: Manufacturing Incentives	2019/20							2018/19	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Transfers and subsidies	3 499 785	(113 253)	(235)	3 386 297	3 371 547	14 750	99.6%	3 224 789	3 224 021
Public corporations and private enterprises	3 499 042	(113 000)	–	3 386 042	3 371 292	14 750	99.6%	3 224 715	3 223 948
Public corporations	700 000	–	–	700 000	700 000	–	100.0%	300 000	300 000
Other transfers to public corporations	700 000	–	–	700 000	700 000	–	100.0%	300 000	300 000
Private enterprises	2 799 042	(113 000)	–	2 686 042	2 671 292	14 750	99.5%	2 924 715	2 923 948
Subsidies on products and production (pe)	2 558 564	(98 000)	–	2 460 564	2 459 714	850	98.0%	2 701 028	2 700 373
Other transfers to private enterprises	240 478	(15 000)	–	225 478	211 578	13 900	93.8%	223 687	223 575
Households	743	(253)	(235)	255	255	–	100.0%	74	73
Social benefits	743	(385)	(235)	123	123	–	100.0%	74	73
Other transfers to households	–	132	–	132	132	–	100.0%	–	–
Payments for capital assets	2 346	–	–	2 346	–	2 346	–	63	59
Machinery and equipment	2 346	–	–	2 346	–	2 346	–	63	59
Other machinery and equipment	2 346	–	–	2 346	–	2 346	–	63	59
Total	3 607 692	(113 625)	(5 970)	3 488 097	3 470 222	17 875	99.5%	3 326 007	3 325 200

Sub-programme: 6.3: Services Investment Incentives	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	18 148	–	(7 211)	10 937	10 658	279	97.4%	9 387	9 378
Compensation of employees	16 367	–	(7 211)	9 156	9 155	1	99.7%	7 994	7 992
Salaries and wages	12 865	–	(4 797)	8 068	8 068	–	100.0%	7 094	7 093
Social contributions	3 502	–	(2 414)	1 088	1 087	1	99.9%	900	899
Goods and services	1 781	–	–	1 781	1 503	278	84.4%	1 393	1 386
Administrative fees	–	41	–	41	41	–	100.0%	42	42
Catering: Departmental activities	48	–	–	48	7	41	14.6%	5	5
Communication (G&S)	48	(46)	–	2	1	1	50.0%	–	–
Fleet services (including government motor transport)	1	–	–	1	–	1	–	2	1
Operating leases	12	5	–	17	16	1	94.1%	40	35
Travel and subsistence	1 672	–	–	1 672	1 438	234	86.0%	1 249	1 248
Venues and facilities	–	–	–	–	–	–	–	55	55
Transfers and subsidies	805 025	4	–	805 029	804 873	156	98.0%	832 069	831 342
Public corporations and private enterprises	805 025	–	–	805 025	804 870	155	99.7%	832 069	831 342
Private enterprises	805 025	–	–	805 025	804 870	155	99.7%	832 069	831 342
Subsidies on products and production (pe)	805 025		–	805 025	804 870	155	99.7%	832 069	831 342
Households	–	4	–	4	3	1	75.0%	–	–
Social benefits	–	4	–	4	3	1	75.0%	–	–
Total	823 173	4	(7 211)	815 966	815 531	435	99.9%	841 456	840 720



Sub-programme: 6.4: Infrastructure Investment Support	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	11 340	6 742	–	18 082	17 248	834	95.4%	17 686	17 680
Compensation of employees	9 665	6 742	–	16 407	15 942	465	97.2%	16 252	16 250
Salaries and wages	7 487	6 742	–	14 229	14 229	–	100.0%	14 511	14 510
Social contributions	2 178	–	–	2 178	1 713	465	78.7%	1 741	1 740
Goods and services	1 675	–	–	1 675	1 306	369	78.0%	1 434	1 430
Administrative fees	–	68	–	68	68	–	100.0%	67	67
Communication (G&S)	45	(8)	–	37	–	37	–	7	6
Fleet services (including government motor transport)	8			8	2	6	25.0%	5	5
Operating leases	20	8	–	28	27	1	96.4%	42	39
Travel and subsistence	1 602	(68)	–	1 534	1 209	325	78.8%	1 290	1 290
Training and development	–	–	–	–	–	–	–	23	23
Transfers and subsidies	1 419 171	135 002	–	1 554 173	1 550 007	4 166	99.7%	1 311 441	1 311 182
Public corporations and private enterprises	1 419 171	135 000	–	1 554 171	1 550 006	4 165	99.7%	1 311 425	1 311 166
Public corporations	1 296 280	195 000	–	1 491 280	1 487 976	3 304	99.8%	1 242 157	1 242 156
Other transfers to public corporations	1 296 280	195 000	–	1 491 280	1 487 976	3 304	99.8%	1 242 157	1 242 156
Private enterprises	122 891	(60 000)	–	62 891	62 030	861	98.6%	69 268	69 010
Subsidies on products and production (pe)	–	–	–	–	–	–	–	1 000	887
Other transfers to private enterprises	122 891	(60 000)	–	62 891	62 030	861	98.6%	68 268	68 123
Households	–	2	–	2	1	1	50.0%	16	16
Social benefits	–	2	–	2	1	1	50.0%	16	16
Total	1 430 511	141 744	–	1 572 255	1 567 255	5 000	99.7%	1 329 127	1 328 862

Sub-programme: 6.5: Product and Systems Development	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	21 840	(2 482)	(2 826)	16 532	13 544	2 988	81.9%	13 682	13 676
Compensation of employees	20 423	(2 482)	(2 826)	15 115	12 922	2 193	85.5%	13 214	13 213
Salaries and wages	18 159	(2 482)	(2 826)	12 851	11 546	1 305	89.8%	11 788	11 787
Social contributions	2 264	–	–	2 264	1 376	888	60.8%	1 426	1 426
Goods and services	1 417	–	–	1 417	622	795	43.9%	468	463
Administrative fees	–	21	–	21	20	1	95.2%	16	15
Communication (G&S)	68	(21)	–	47	–	47	–	–	–
Fleet services (including government motor transport)	2	–	–	2	–	2	–	4	–
Operating leases	7	–	–	7	2	5	28.6%	23	23
Travel and subsistence	1 340	–	–	1 340	600	740	44.8%	425	425
Transfers and subsidies	–	–	–	–	–	–	–	104	103
Households	–	–	–	–	–	–	–	104	103
Social benefits	–	–	–	–	–	–	–	104	103
Total	21 840	(2 482)	(2 826)	16 532	13 544	2 988	81.9%	13 786	13 779



Sub-programme: 6.6: Strategic Partnership and Customer Care	2019/20							2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23 530	(4 260)	–	19 270	16 613	2 657	86.2%	18 132	18 125
Compensation of employees	20 337	(4 260)	–	16 077	15 414	663	95.9%	16 057	16 057
Salaries and wages	17 812	(4 260)	–	13 552	13 551	1	99.7%	14 127	14 127
Social contributions	2 525	–	–	2 525	1 863	662	73.8%	1 930	1 930
Goods and services	3 193	–	–	3 193	1 199	1 994	37.6%	2 075	2 068
Administrative fees	8	38	–	46	45	1	97.8%	84	84
Communication (G&S)	67	(39)	–	28	2	26	7.1%	4	3
Consultants: Business and advisory services	–	–	–	–	–	–	–	22	22
Fleet services (including government motor transport)	35	–	–	35	–	35	–	6	3
Operating leases	502	–	–	502	408	94	81.3%	431	429
Property payments	–	–	–	–	–	–	–	25	25
Travel and subsistence	2 581	–	–	2 581	743	1 838	28.8%	1 502	1 502
Operating payments	–	1	–	1	1	–	100.0%	1	–
Transfers and subsidies	–	247	–	247	246	1	99.6%	144	143
Households	–	247	–	247	246	1	99.6%	144	143
Social benefits	–	247	–	247	246	1	99.6%	144	143
Total	23 530	(4 013)	–	19 517	16 859	2 658	86.4%	18 276	18 268

Programme 7: Trade and Investment South Africa	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Trade Invest Africa	24 115	(3 423)	1	20 693	20 679	14	99.9%	21 268	21 263
7.2 Export Promotion and Marketing	48 064	(2 105)	(368)	45 591	45 583	8	97.0%	45 151	44 793
7.3 Trade and Investment South Africa (Tisa) Executive Management Unit	348 990	10 925	98 482	458 397	425 775	32 622	92.9%	379 107	379 094
7.4 Export Development and Support	19 222	(5 397)	(203)	13 622	13 618	4	98.0%	15 292	15 044
Total	440 391	–	97 912	538 303	505 655	32 648	93.9%	460 818	460 194
Economic classification									
Current payments	244 478	(30)	59 167	303 615	270 971	32 644	89.2%	275 867	275 626
Compensation of employees	189 758	–	25 439	215 197	197 721	17 476	91.9%	204 610	204 394
Salaries and wages	163 817	7 922	22 967	194 706	179 703	15 003	92.3%	186 804	186 591
Social contributions	25 941	(7 922)	2 472	20 491	18 018	2 473	87.9%	17 806	17 803
Goods and services	54 720	(30)	33 728	88 418	73 250	15 168	82.8%	71 257	71 232
Administrative fees	471	(80)	–	391	387	4	99.0%	386	385
Advertising	108	90	91	289	288	1	99.7%	363	363
Minor assets	101	(14)	–	87	87	–	100.0%	43	43
Catering: Departmental activities	641	(529)	–	112	111	1	99.1%	155	154
Communication (G&S)	1 106	(144)	582	1 544	1 540	4	99.7%	1 635	1 635
Computer services	576	–	270	846	846	–	100.0%	653	653
Consultants: Business and advisory services	2 219	(2 090)	–	129	128	1	99.2%	204	203
Legal services	27	–	296	323	323	–	100.0%	56	56
Contractors	935	(125)	106	916	916	–	100.0%	1 830	1 827
Agency and support / outsourced services	–	–	423	423	422	1	99.8%	89	89
Entertainment	843	(215)	–	628	628	–	100.0%	1 259	1 257
Fleet services (including government motor transport)	434	(3)	313	744	743	1	99.9%	492	489
Consumable supplies	306	(23)	134	417	415	2	99.5%	337	336

Programme 7: Trade and Investment South Africa	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	1 025	(472)	–	553	552	1	99.8%	430	428
Operating leases	6 228	832	22 535	29 595	23 428	6 167	79.2%	25 483	25 483
Property payments	1 060	300	–	1 360	1 360	–	100.0%	1 727	1 725
Transport provided: Departmental activity	–	–	–	–	–	–	–	–	–
Travel and subsistence	15 642	5 265	–	20 907	20 904	3	96.0%	20 922	20 920
Training and development	–	1 346	–	1 346	1 344	2	99.9%	1 764	1 763
Operating payments	15 273	(678)	8 978	23 573	14 595	8 978	61.9%	8 675	8 672
Venues and facilities	6 975	(3 341)	–	3 634	3 632	2	99.9%	3 853	3 851
Rental and hiring	750	(149)	–	601	601	–	100.0%	901	900
Transfers and subsidies	193 570	–	40 006	233 576	233 574	2	100.0%	184 363	184 363
Public corporations and private enterprises	193 511	–	40 000	233 511	233 511	–	100.0%	183 248	183 248
Public corporations	193 511	–	40 000	233 511	233 511	–	100.0%	183 248	183 248
Other transfers to public corporations	193 511	–	40 000	233 511	233 511	–	100.0%	183 248	183 248
Households	59	–	6	65	63	2	96.9%	1 115	1 115
Social benefits	59	–	6	65	63	2	96.9%	1 111	1 111
Other transfers to households	–	–	–	–	–	–	–	4	4
Payments for capital assets	2 340	–	(1 261)	1 079	1 078	1	99.9%	545	163
Machinery and equipment	2 340	–	(1 261)	1 079	1 078	1	99.9%	545	163
Transport equipment	559	–	(559)	–	–	–	–	–	–
Other machinery and equipment	1 781	–	(702)	1 079	1 078	1	99.9%	545	163
Payment for financial assets	3	30	–	33	32	1	97.0%	43	42
Total	440 391	–	97 912	538 303	505 655	32 648	93.9%	460 818	460 194

Sub-programme: 7.1: Trade Invest Africa		2019/20						2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	24 092	(3 423)	–	20 669	20 656	13	99.9%	21 268	21 263
Compensation of employees	20 702	(3 275)	–	17 427	17 426	1	99.7%	17 720	17 719
Salaries and wages	17 933	(2 664)	–	15 269	15 268	1	99.7%	15 598	15 598
Social contributions	2 769	(611)	–	2 158	2 158	–	100.0%	2 122	2 121
Goods and services	3 390	(148)	–	3 242	3 230	12	99.6%	3 548	3 544
Administrative fees	31	–	–	31	29	2	93.5%	51	51
Catering: Departmental activities	180	(174)	–	6	6	–	100.0%	22	22
Communication (G&S)	32	(7)	–	25	23	2	92.0%	39	39
Consultants: Business and advisory services	20	(11)	–	9	9	–	100.0%	26	26
Consumable supplies	2	–	–	2	–	2	–	5	4
Operating leases	61	–	–	61	56	5	91.8%	76	76
Travel and subsistence	2 960	8	–	2 968	2 967	1	99.7%	2 896	2 895
Operating payments	6	7	–	13	13	–	100.0%	4	3
Venues and facilities	98	29	–	127	127	–	100.0%	428	428
Transfers and subsidies	23	–	1	24	23	1	95.8%	–	–
Households	23	–	1	24	23	1	95.8%	–	–
Social benefits	23	–	1	24	23	1	95.8%	–	–
Total	24 115	(3 423)	1	20 693	20 679	14	99.9%	21 268	21 263

Sub-programme: 7.2: Export Promotion and Marketing	2019/20										2018/19	
	Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
											R'000	R'000
Current payments		47 660	(2 105)	–	45 555	45 548	7	96.0%	43 943	43 934		
Compensation of employees		40 016	(1 073)	–	38 943	38 941	2	98.0%	35 221	35 220		
Salaries and wages		33 721	506	–	34 227	34 226	1	99.7%	30 887	30 887		
Social contributions		6 295	(1 579)	–	4 716	4 715	1	99.7%	4 334	4 333		
Goods and services		7 644	(1 032)	–	6 612	6 607	5	99.9%	8 722	8 714		
Administrative fees		102	(39)	–	63	62	1	98.4%	139	139		
Advertising		19	(19)	–	–	–	–	–	–	–		
Minor assets		33	(31)	–	2	2	–	100.0%	–	–		
Catering: Departmental activities		56	(44)	–	12	11	1	91.7%	1	1		
Communication (G&S)		121	(121)	–	–	–	–	–	19	19		
Consultants: Business and advisory services		340	(340)	–	–	–	–	–	31	30		
Contractors		57	(57)	–	–	–	–	–	–	–		
Entertainment		17	(17)	–	–	–	–	–	30	29		
Fleet services (including government motor transport)		6	(4)	–	2	1	1	50.0%	4	3		
Consumable supplies		23	(23)	–	–	–	–	–	–	–		
Consumable: Stationery, printing and office supplies		43	(39)	–	4	4	–	100.0%	2	1		
Operating leases		29	6	–	35	34	1	97.1%	39	39		

Sub-programme: 7.2: Export Promotion and Marketing	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	4 648	464	–	5 112	5 112	–	100.0%	5 867	5 866
Training and development	–	15	–	15	14	1	93.3%	–	–
Operating payments	20	17	–	37	37	–	100.0%	2	2
Venues and facilities	2 125	(795)	–	1 330	1 330	–	100.0%	2 073	2 071
Rental and hiring	5	(5)	–	–	–	–	–	515	514
Transfers and subsidies	35	–	1	36	35	1	97.2%	859	859
Households	35	–	1	36	35	1	97.2%	859	859
Social benefits	35	–	1	36	35	1	97.2%	855	855
Other transfers to households	–	–	–	–	–	–	–	4	4
Payments for capital assets	369	–	(369)	–	–	–	–	349	–
Machinery and equipment	369	–	(369)	–	–	–	–	349	–
Other machinery and equipment	369	–	(369)	–	–	–	–	349	–
Total	48 064	(2 105)	(368)	45 591	45 583	8	98.0%	45 151	44 793

Sub-programme: 7.3: Trade and Investment South Africa (Tisa) Executive Management Unit	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	153 712	10 895	59 167	223 774	191 154	32 620	85.4%	195 396	195 385
Compensation of employees	115 430	6 638	25 439	147 507	130 034	17 473	88.2%	139 578	139 577
Salaries and wages	102 872	9 577	22 967	135 416	120 415	15 001	88.9%	129 782	129 781
Social contributions	12 558	(2 939)	2 472	12 091	9 619	2 472	79.6%	9 796	9 796
Goods and services	38 282	4 257	33 728	76 267	61 120	15 147	80.1%	55 818	55 808
Administrative fees	265	(22)	–	243	243	–	100.0%	163	162
Advertising	89	109	91	289	288	1	99.7%	363	363
Minor assets	68	17	–	85	85	–	100.0%	43	43
Catering: Departmental activities	175	(126)	–	49	49	–	100.0%	62	61
Communication (G&S)	936	–	582	1 518	1 517	1	99.9%	1 577	1 577
Computer services	576	–	270	846	846	–	100.0%	653	653
Consultants: Business and advisory services	959	(839)	–	120	119	1	99.2%	147	147
Legal services	27	–	296	323	323	–	100.0%	56	56
Contractors	810	–	106	916	916	–	100.0%	1 814	1 812
Agency and support / outsourced services	–	–	423	423	422	1	99.8%	89	89
Entertainment	826	(198)	–	628	628	–	100.0%	1 229	1 228

Sub-programme: 7.3: Trade and Investment South Africa (Tisa) Executive Management Unit	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification										
Fleet services (including government motor transport)	426	–	313	739	739	–	100.0%	485	484	
Consumable supplies	281	–	134	415	415	–	100.0%	332	332	
Consumable: Stationery, printing and office supplies	972	(425)	–	547	546	1	99.8%	426	425	
Operating leases	6 088	772	22 535	29 395	23 234	6 161	79.0%	25 252	25 252	
Property payments	1 060	300	–	1 360	1 360	–	100.0%	1 727	1 725	
Travel and subsistence	7 056	4 959	–	12 015	12 014	1	99.7%	11 387	11 387	
Training and development	–	56	–	56	55	1	98.2%	161	161	
Operating payments	13 380	1 165	8 978	23 523	14 545	8 978	61.8%	8 114	8 113	
Venues and facilities	3 543	(1 367)	–	2 176	2 175	1	99.7%	1 352	1 352	
Rental and hiring	745	(144)	–	601	601	–	100.0%	386	386	
Transfers and subsidies	193 511	–	40 000	233 511	233 511	–	100.0%	183 504	183 504	
Public corporations and private enterprises	193 511	–	40 000	233 511	233 511	–	100.0%	183 248	183 248	
Public corporations	193 511	–	40 000	233 511	233 511	–	100.0%	183 248	183 248	
Other transfers to public corporations	193 511	–	40 000	233 511	233 511	–	100.0%	183 248	183 248	
Households	–	–	–	–	–	–	–	256	256	
Social benefits	–	–	–	–	–	–	–	256	256	
Payments for capital assets	1 764	–	(685)	1 079	1 078	1	99.9%	164	163	
Machinery and equipment	1 764	–	(685)	1 079	1 078	1	99.9%	164	163	
Transport equipment	559	–	(559)	–	–	–	–	–	–	
Other machinery and equipment	1 205	–	(126)	1 079	1 078	1	99.9%	164	163	
Payment for financial assets	3	30	–	33	32	1	97.0%	43	42	
Total	348 990	10 925	98 482	458 397	425 775	32 622	92.9%	379 107	379 094	



Sub-programme: 7.4: Export Development and Support	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	19 014	(5 397)	-	13 617	13 613	4	100.0%	15 260	15 044
Compensation of employees	13 610	(2 290)	-	11 320	11 320	-	100.0%	12 091	11 878
Salaries and wages	9 291	503	-	9 794	9 794	-	100.0%	10 537	10 325
Social contributions	4 319	(2 793)	-	1 526	1 526	-	100.0%	1 554	1 553
Goods and services	5 404	(3 107)	-	2 297	2 293	4	99.8%	3 169	3 166
Administrative fees	73	(19)	-	54	53	1	98.1%	33	33
Catering: Departmental activities	230	(185)	-	45	45	-	100.0%	70	70
Communication (G&S)	17	(16)	-	1	-	1	-	-	-
Consultants: Business and advisory services	900	(900)	-	-	-	-	-	-	-
Contractors	68	(68)	-	-	-	-	-	16	15
Fleet services (including government motor transport)	2	1	-	3	3	-	100.0%	2	2
Consumable: Stationery, printing and office supplies	10	(8)	-	2	2	-	100.0%	2	2
Operating leases	50	54	-	104	104	-	100.0%	116	116
Travel and subsistence	978	(166)	-	812	811	1	99.9%	772	772
Training and development		1 275	-	1 275	1 275	-	100.0%	1 603	1 602
Operating payments	1 867	(1 867)	-	-	-	-	-	555	554
Venues and facilities	1 209	(1 208)	-	1	-	1	-	-	-
Transfers and subsidies	1	-	4	5	5	-	100.0%	-	-
Households	1	-	4	5	5	-	100.0%	-	-
Social benefits	1	-	4	5	5	-	100.0%	-	-
Payments for capital assets	207	-	(207)	-	-	-	-	32	-
Machinery and equipment	207	-	(207)	-	-	-	-	32	-
Other machinery and equipment	207	-	(207)	-	-	-	-	32	-
Total	19 222	(5 397)	(203)	13 622	13 618	4	98.0%	15 292	15 044

Programme 8: Investment South Africa		2019/20							2018/19	
Sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
8.1 Investment Promotion	48 834	7 994	(2 831)	53 997	53 992	5	97.0%	56 034	54 621	
8.2 Investment and Inter-Departmental Clearing House	15 598	(3 560)	–	12 038	12 018	20	99.8%	22 745	14 738	
8.3 Investment Support and After Care	4 593	(4 434)	–	159	121	38	76.1%	16	13	
	69 025	–	(2 831)	66 194	66 131	63	99.9%	78 795	69 372	
Economic classification										
Current payments	57 571	(34)	(2 377)	55 160	55 098	62	99.9%	56 153	55 161	
Compensation of employees	40 104	–	2 070	42 174	42 172	2	99.7%	41 019	41 018	
Salaries and wages	29 973	5 539	1 939	37 451	37 450	1	99.7%	36 375	36 374	
Social contributions	10 131	(5 539)	131	4 723	4 722	1	99.7%	4 644	4 644	
Goods and services	17 467	(34)	(4 447)	12 986	12 926	60	99.5%	15 134	14 143	
Administrative fees	281	134	–	415	407	8	98.1%	270	269	
Advertising	–	371	–	371	371	–	100.0%	719	718	
Minor assets	8	–	(4)	4	4	–	100.0%	–	–	
Audit costs: External	8	(8)	–	–	–	–	–	–	–	
Catering: Departmental activities	112	(13)	–	99	87	12	87.9%	96	94	
Communication (G&S)	102	(72)	(4)	26	26	–	100.0%	54	53	
Computer services	–	–	–	–	–	–	–	48	48	
Consultants: Business and advisory services	415	1 450	(533)	1 332	1 331	1	99.9%	48	47	
Legal services	–	–	–	–	–	–	–	280	279	
Contractors	7 064	(6 000)	(1 064)	–	–	–	–	986	39	
Entertainment	112	(52)	(19)	41	41	–	100.0%	105	104	
Fleet services (including government motor transport)	20	–	(5)	15	9	6	60.0%	3	2	
Consumable supplies	221	(190)	(14)	17	8	9	47.1%	1	–	
Consumable: Stationery, printing and office supplies	134	(100)	(32)	2	1	1	50.0%	55	54	

Programme 8: Investment South Africa		2019/20						2018/19	
Sub programme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Operating leases	172	72	–	244	227	17	93.0%	324	300
Travel and subsistence	6 941	3 944	(2 046)	8 839	8 837	2	99.7%	10 538	10 531
Training and development	–	–	–	–	–	–	–	23	23
Operating payments	785	396	(492)	689	685	4	99.4%	304	303
Venues and facilities	1 079	34	(221)	892	892	–	100.0%	1 280	1 279
Rental and hiring	13	–	(13)	–	–	–	–	–	–
Transfers and subsidies	11 000	34	–	11 034	11 033	1	99.7%	22 212	14 211
Public corporations and private enterprises	11 000	–	–	11 000	11 000	–	100.0%	22 000	14 000
Public corporations	11 000	–	–	11 000	11 000	–	100.0%	22 000	14 000
Other transfers to public corporations	11 000	–	–	11 000	11 000	–	100.0%	22 000	14 000
Households	–	34	–	34	33	1	97.1%	212	211
Social benefits	–	34	–	34	33	1	97.1%	212	211
Payments for capital assets	454	–	(454)	–	–	–	–	430	–
Machinery and equipment	454	–	(454)	–	–	–	–	430	–
Other machinery and equipment	454	–	(454)	–	–	–	–	430	–
Total	69 025	–	(2 831)	66 194	66 131	63	99.9%	78 795	69 372

Sub-programme: 8.1: Investment Promotion	2019/20								2018/19	
	Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments		48 380	7 960	(2 377)	53 963	53 959	4	97.8%	55 392	54 410
Compensation of employees		32 110	7 994	2 070	42 174	42 172	2	99.7%	41 019	41 018
Salaries and wages		22 367	13 145	1 939	37 451	37 450	1	99.7%	36 375	36 374
Social contributions		9 743	(5 151)	131	4 723	4 722	1	99.7%	4 644	4 644
Goods and services		16 270	(34)	(4 447)	11 789	11 787	2	99.7%	14 373	13 392
Administrative fees		281	66	-	347	347	-	100.0%	228	227
Advertising		-	371	-	371	371	-	100.0%	719	718
Minor assets		8	-	(4)	4	4	-	100.0%	-	-
Audit costs: External		8	(8)	-	-	-	-	-	-	-
Catering: Departmental activities		70	5	-	75	75	-	100.0%	80	80
Communication (G&S)		50	(20)	(4)	26	26	-	100.0%	54	53
Computer services		-	-	-	-	-	-	-	48	48
Consultants: Business and advisory services		415	1 450	(533)	1 332	1 331	1	99.9%	48	47
Legal services		-	-	-	-	-	-	-	280	279
Contractors		7 064	(6 000)	(1 064)	-	-	-	-	986	39
Entertainment		60	-	(19)	41	41	-	100.0%	105	104
Fleet services (including government motor transport)		12	-	(5)	7	7	-	100.0%	1	1
Consumable supplies		21	-	(14)	7	7	-	100.0%	1	-
Consumable: Stationery, printing and office supplies		134	(100)	(32)	2	1	1	50.0%	54	54
Operating leases		150	42	-	192	192	-	100.0%	255	235
Travel and subsistence		6 120	3 769	(2 046)	7 843	7 843	-	100.0%	9 908	9 902
Training and development		-	-	-	-	-	-	-	23	23
Operating payments		785	392	(492)	685	685	-	100.0%	303	303



Sub-programme: 8.1: Investment Promotion	2019/20										2018/19	
	Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
	Venues and facilities	1 079	(1)	(221)	857	857	-	100.0%	1 280	1 279		
	Rental and hiring	13		(13)	-	-	-	-	-	-		
	Transfers and subsidies	-	34	-	34	33	1	97.1%	212	211		
	Households	-	34	-	34	33	1	97.1%	212	211		
	Social benefits	-	34	-	34	33	1	97.1%	212	211		
	Payments for capital assets	454	-	(454)	-	-	-	-	430	-		
	Machinery and equipment	454	-	(454)	-	-	-	-	430	-		
	Other machinery and equipment	454	-	(454)	-	-	-	-	430	-		
Total		48 834	7 994	(2 831)	53 997	53 992	5	98.6%	56 034	54 621		

Sub-programme: 8.2: Investment and Inter-Departmental Clearing House	2019/20										2018/19	
	Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	R'000	R'000
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
	Current payments	4 598	(3 560)	–	1 038	1 018	20	98.1%	745	738		
	Compensation of employees	3 999	(3 999)	–	–	–	–	–	–	–		
	Salaries and wages	3 805	(3 805)	–	–	–	–	–	–	–		
	Social contributions	194	(194)	–	–	–	–	–	–	–		
	Goods and services	599	439	–	1 038	1 018	20	98.1%	745	738		
	Administrative fees	–	58	–	58	57	1	98.3%	41	41		
	Catering: Departmental activities	21	(18)	–	3	–	3	–	13	12		
	Communication (G&S)	26	(26)	–	–	–	–	–	–	–		
	Entertainment	26	(26)	–	–	–	–	–	–	–		
	Fleet services (including government motor transport)	4	–	–	4	2	2	50.0%	2	1		
	Consumable supplies	100	(95)	–	5	–	5	–	–	–		
	Operating leases	11	30	–	41	35	6	85.4%	69	65		
	Travel and subsistence	411	514	–	925	924	1	99.9%	619	619		
	Operating payments	–	2	–	2	–	2	–	1	–		
	Transfers and subsidies	11 000	–	–	11 000	11 000	–	100.0%	22 000	14 000		
	Public corporations and private enterprises	11 000	–	–	11 000	11 000	–	100.0%	22 000	14 000		
	Public corporations	11 000	–	–	11 000	11 000	–	100.0%	22 000	14 000		
	Other transfers to public corporations	11 000	–	–	11 000	11 000	–	100.0%	22 000	14 000		
	Total	15 598	(3 560)	–	12 038	12 018	20	99.8%	22 745	14 738		



Sub-programme: 8.3: Investment Support and After Care	2019/20								2018/19	
Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
Current payments	4 593	(4 434)	–	159	121	38	76.1%	16	13	
Compensation of employees	3 995	(3 995)	–	–	–	–	–	–	–	
Salaries and wages	3 801	(3 801)	–	–	–	–	–	–	–	
Social contributions	194	(194)	–	–	–	–	–	–	–	
Goods and services	598	(439)	–	159	121	38	76.1%	16	13	
Administrative fees	–	10	–	10	3	7	30.0%	1	1	
Catering: Departmental activities	21	–	–	21	12	9	57.1%	3	2	
Communication (G&S)	26	(26)	–	–	–	–	–	–	–	
Entertainment	26	(26)	–	–	–	–	–	–	–	
Fleet services (including government motor transport)	4	–	–	4	–	4	–	–	–	
Consumable supplies	100	(95)	–	5	1	4	20.0%	–	–	
Consumable: Stationery, printing and office supplies	–	–	–	–	–	–	–	1	–	
Operating leases	11	–	–	11	–	11	–	–	–	
Travel and subsistence	410	(339)	–	71	70	1	98.6%	11	10	
Operating payments	–	2	–	2	–	2	–	–	–	
Venues and facilities	–	35	–	35	35	–	100.0%	–	–	
Total	4 593	(4 434)	–	159	121	38	76.1%	16	13	

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2020

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 7 (transfers and subsidies) and Annexure 1 (A-E) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in Note 6 (Payments for financial assets) to the Annual Financial Statements.

4. Explanations of variances from amounts Voted (after Virement):

4.1 Per programme:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
ADMINISTRATION The delivery of ICT equipment which was scheduled to be delivered in March 2020 but was delayed by the global outbreak of COVID-19, resulted in the programme underspending on its allocated budget by 2%.	824 760	807 745	17 015	2.06%
INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT	125 082	124 332	750	0.60%
SPECIAL ECONOMIC ZONES AND ECONOMIC TRANSFORMATION The delay in listing the B-BBEE Commission delayed the implementation of certain projects leading to underspending in Programme 3 of 5.4%.	165 289	156 300	8 989	5.44%
INDUSTRIAL DEVELOPMENT	2 091 561	2 076 606	14 955	0.72%
CONSUMER AND CORPORATE REGULATION	336 215	329 908	6 307	1.88%
INCENTIVE DEVELOPMENT AND ADMINISTRATION The R34.4 million variance was due to the global outbreak of COVID-19 which affected a number of the activities within this programme such as Trade Export Marketing, Pavilions, and Planned Investment milestones by companies that were delayed due to capital equipment that was ordered from abroad.	5 937 323	5 902 929	34 394	0.58%
TRADE AND INVESTMENT SOUTH AFRICA	538 303	505 655	32 648	6.06%

4.1 Per programme:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
The programme recorded a 6% underspending of its allocated budget. This was due to the global outbreak of COVID-19, which resulted in cancellation of many international events and fora in areas of trade and investment as well as delays in the receipt of vouchers timeously from the foreign offices for expenditure.				
INVESTMENT SOUTH AFRICA	66 194	66 131	63	0.10%

4.2 Per economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	1 046 769	995 215	51 554	4.93%
Goods and services	719 340	689 048	30 292	4.21%
Transfers and subsidies				
Departmental agencies and accounts	701 201	701 201	-	0.00%
Public corporations and private enterprises	7 368 639	7 344 133	24 506	0.33%
Foreign governments and international organisations	32 667	29 646	3 021	9.25%
Non-profit institutions	178 897	178 897	-	0.00%
Households	5 256	5 128	128	2.44%
Payments for capital assets				
Machinery and equipment	13 060	9 287	3 773	28.89%
Software and other intangible assets	4 375	2 530	1 845	42.17%
Payments for financial assets	14 523	14 521	2	0.01%

Explanation of variance

The department's underspending of 1.14% for the financial year ended 31 March 2020 was mainly due to the following:

a) Global outbreak of COVID-19.

The global outbreak of COVID-19 negatively impacted many areas of the department's business such as:

- Scheduled trade export missions and pavilions planned for the last quarter of the financial year were cancelled by organisers
- Cancellation of many international events and fora in areas of trade and investment
- Delayed investment milestones by companies due to capital equipment that was ordered from abroad
- Delays in the delivery of ICT equipment which was scheduled to be delivered in March 2020
- Delays in the receipt of vouchers timeously from the foreign offices for expenditure which negatively impacted the spending on compensation of employees as well as goods and services

b) Filling of posts due to the merger of the dti and EDD.

The suspension in the filling of posts due to the merger of the dti and EDD had a direct impact on the spending on compensation of employees

c) Delays in the listing of the B-BBEE Commission

Some of the projects planned by the B-BBEE Commission had to be deferred due to their impending listing. This had a direct impact on the expenditure under programme 3.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
REVENUE			
Annual appropriation	1	10 084 727	9 531 758
Departmental revenue	2	106 063	73 305
Aid assistance	3	45 757	56 452
TOTAL REVENUE		10 236 547	9 661 515
EXPENDITURE			
Current expenditure			
Compensation of employees	4	995 215	982 100
Goods and services	5	689 048	711 890
Total current expenditure		1 684 263	1 693 990
Transfers and subsidies			
Transfers and subsidies	7	8 259 005	7 777 760
Aid assistance	3	38 267	43 836
Total transfers and subsidies		8 297 272	7 821 596
Expenditure for capital assets			
Tangible assets	8	9 287	16 970
Intangible assets		2 530	1 073
Total expenditure for capital assets		11 817	18 043
Payments for financial assets	6	14 521	451
TOTAL EXPENDITURE		10 007 873	9 534 080
SURPLUS FOR THE YEAR		228 674	127 435
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		115 121	41 514
Annual appropriation		115 121	41 514
Departmental revenue and NRF receipts		106 063	73 305
Aid assistance	3	7 490	12 616
SURPLUS FOR THE YEAR		228 674	127 435

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
ASSETS			
Current Assets		150 824	74 825
Cash and cash equivalents	9	139 066	5 320
Other financial assets	10	507	442
Prepayments and advances	11	6 786	64 569
Receivables	12	4 465	4 494
Non-Current Assets		20 777	35 556
Receivables	12	19 991	34 749
Other financial assets	10	786	807
TOTAL ASSETS		171 601	110 381
LIABILITIES			
Current Liabilities		155 934	76 468
Voted funds to be surrendered to the Revenue Fund	13	115 117	41 512
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	20 391	61
Bank overdraft	15	–	18 179
Payables	16	12 936	4 100
Aid assistance repayable	3	7 490	12 616
Non-Current Liabilities			
Payables		–	–
TOTAL LIABILITIES		155 934	76 468
NET ASSETS		15 667	33 913
Represented by:			
Recoverable revenue		15 667	33 913
TOTAL		15 667	33 913

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
NET ASSETS			
Recoverable revenue			
Opening balance		33 913	25 414
Transfers		(18 246)	8 499
Irrecoverable amounts written off	6.2	(14 061)	(362)
Debts revised		(1 758)	(159)
Debts recovered (included in departmental receipts)		(81 864)	(65 887)
Debts raised		79 437	74 907
Closing balance		15 667	33 913
Total		15 667	33 913

CASH FLOW STATEMENT

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		10 236 515	9 661 505
Annual appropriated funds received	1	10 084 727	9 531 758
Departmental revenue received	2	98 136	73 016
Interest received	2.3	7 895	279
Aid assistance received	3	45 757	56 452
Net (increase)/ decrease in working capital		66 648	(29 208)
Surrendered to Revenue Fund		(127 249)	(172 542)
Surrendered to RDP Fund/Donor		(12 616)	–
Current payments		(1 684 263)	(1 693 990)
Interest paid		–	–
Payments for financial assets		(14 521)	(451)
Transfers and subsidies paid		(8 297 272)	(7 821 596)
Net cash flow available from operating activities	17	167 242	(56 282)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(11 817)	(18 043)
Proceeds from sale of capital assets	2.4	32	10
(Increase)/ decrease in other financial assets		(44)	643
(Increase)/decrease in non-current receivables		14 758	–
Net cash flows from investing activities		2 929	(17 390)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		(18 246)	8 499
Net cash flows from financing activities		(18 246)	8 499
Net increase/ (decrease) in cash and cash equivalents		151 925	(65 173)
Cash and cash equivalents at beginning of period		(12 859)	52 314
Unrealised gains and losses within cash and cash equivalents		–	–
Cash and cash equivalents at end of period	9	139 066	(12 859)

ACCOUNTING POLICIES

for the year ended 31 March 2020

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act, Act 1 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

1.2 Going concern

The financial statements have been prepared on a going concern basis.

1.3 Presentation currency

Amounts have been presented in the currency of South African Rand (R), which is also the functional currency of the department.

1.4 Rounding

Unless otherwise stated financial figures have been rounded to the nearest thousand Rand (R'000).

Unless otherwise stated percentages have been rounded to the nearest decimal, where applicable.

1.5 Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.

1.6 Comparative information

1.6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds comprise of departmental allocations.

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustment budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

2.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and/or regulations (excluding fines, penalties and forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sale of goods and services other than capital assets

The proceeds received from the sale of goods and /or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties and forfeits

Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land are recognised in the statement of financial performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on the sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 Transactions in financial assets and liabilities

Financial assets include repayment of debts and amounts written off, and are recognised as revenue in the statement of financial performance when cash is received or once debt is approved to be written off. Foreign exchange gains are recognised in the statement of financial performance on payment of funds. The foreign exchange rate on the date of payment is used for the translation of the foreign currency to SA Rand.

2.2.7 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the notes to the financial statements.

2.2.8 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- The amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write off policy.

2.3 Aid assistance

2.3.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance on the date that the cash is received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

2.3.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment.

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and Wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

3.1.2 Social Contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the accounting system of the department.

3.3 Payment for financial assets

Receivables are written off when identified as irrecoverable. Receivables written-off are limited to the amount of savings and/or under spending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts, but an estimate of the amount to be impaired is indicated as a disclosure note to the Financial Statements.

Foreign exchange losses are recognised in the statement of financial performance on the payment of funds. The foreign exchange rate on the date of payment is used for the translation of the foreign currency to SA Rand.

All other losses are recognised in the statement of financial performance when identified.

3.4 Transfers and subsidies

Transfers and subsidies are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the accounting system of the department.

3.5 Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or;
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and/or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are derecognised when settled or subsequently written-off as irrecoverable.

3.7 Irregular expenditure

Irregular expenditure is recorded when in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority; transferred to receivables for recovery; or not condoned and removed or written off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

3.8 Payments for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the accounting system of the department. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are stated in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash-on-hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

4.3 Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.

4.4 Receivables

Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

4.5 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

4.6 Capital assets

4.6.1 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition or receipt.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined, the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

4.6.2 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired before 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

4.6.3 Project costs: Work-in-progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised as liabilities in the statement of financial position.

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

5.3 Payables

Payables are recognised at cost in the statement of financial position.

5.4 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department; or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount of the obligation cannot be measured reliably.

5.5 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

5.6 Capital Commitments

Capital commitments are recorded at cost in the notes to the financial statements.

5.7 Accruals not recognised

Accruals are liabilities to pay for goods and services that have been received or supplied before year end but have not yet been formally paid or invoiced at year end.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are indicated in the notes to the Financial Statements.

Accrued expenditure payable is measured at cost.

5.8. Payables not recognised

Payables are liabilities to pay for goods and services that have been received or supplied and have been formally invoiced before year end but has not yet been paid at year end.

Payables are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are indicated in the notes to the Financial Statements.

5.9 Leases

5.9.1 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- Cost, being the fair value of the asset; or
- The sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

5.9.2 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

5.10 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or a constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

5.11 Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) are disclosed in the Employee benefit note.

6. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered, or are transferred to the statement of financial performance when written-off.

7. Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/ Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

8. Related party transactions

A related party transaction within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.

9. Public private partnerships

Public Private Partnerships are accounted for based on the nature and or the substance of the partnership.

The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

10. Changes in accounting policies, accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds).

Annual Appropriation	2019/20			2018/19		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation Received	Funds not requested/ not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	824 760	824 760	–	819 163	819 163	–
International Trade and Economic Development	125 082	125 082	–	122 093	122 093	–
Special Economic Zones and Economic Transformation	165 289	165 289	–	136 100	136 100	–
Industrial Development	2 091 561	2 091 561	–	2 018 645	2 018 645	–
Consumer and Corporate Regulation	336 215	336 215	–	324 443	324 443	–
Incentive Development and Administration	5 937 323	5 937 323	–	5 571 701	5 571 701	–
Trade and Investment South Africa	538 303	538 303	–	460 818	460 818	–
Investment South Africa	66 194	66 194	–	78 795	78 795	–
Total	10 084 727	10 084 727	–	9 531 758	9 531 758	–

2. Departmental revenue

	Note	2019/20 R'000	2018/19 R'000
Tax revenue*		5 453	3 773
Sales of goods and services other than capital assets	2.1	746	632
Fines, penalties and forfeits	2.2	139	41
Transactions in financial assets and liabilities	2.5	91 798	68 570
Departmental revenue received		98 136	73 016
Interest, dividends and rent on land	2.3	7 895	279
Sales of capital assets	2.4	32	10
Departmental revenue collected		106 063	73 305

* Tax revenue relates to liquor licence fees received

2.1 Sales of goods and services other than capital assets

	Note	2019/20 R'000	2018/19 R'000
Sales of goods and services produced by the department		669	628
Sales by market establishment*		263	257
Other sales**		406	371
Sales of scrap, waste and other used current goods		77	4
Total		746	632

* Sales by market establishment relates to revenue received in respect of parking rental.

**Other sales comprise of commission charged on the deduction of insurance premiums and patent examination fees.

2.2 Fines, penalties and forfeits

	Note	2019/20 R'000	2018/19 R'000
Fines		–	–
Penalties		139	41
Forfeits		–	–
Total		139	41

2.3 Interest, dividends and rent on land

	Note	2019/20 R'000	2018/19 R'000
Interest		7 895	279
Total		7 895	279

2.4 Sales of capital assets

	Note	2019/20 R'000	2018/19 R'000
Tangible capital assets			
Machinery and equipment		32	10
Total		32	10

2.5 Transactions in financial assets and liabilities

	Note	2019/20 R'000	2018/19 R'000
Receivables		88 164	66 423
Forex gain		156	80
Other Receipts including Recoverable Revenue		3 478	2 067
Total		91 798	68 570

2.6 Cash received not recognised (not included in the main note) – 2019/20

Name of entity	Amount received R'000	Amount paid to Revenue Fund R'000	Balance R'000
NCT	1 327	(1 327)	–
NCR	3 886	(3 886)	–
CIPC (SURPLUS)	245 400	(245 400)	–
NCC	37	(37)	–
NRCS (SURPLUS)	22 700	(22 700)	–
Total	273 350	(273 350)	–

Cash received not recognised (not included in the main note) – 2018/19

Name of entity	Amount received R'000	Amount paid to Revenue Fund R'000	Balance R'000
NCR	13 677	(13 677)	–
NRCS	144 500	(144 500)	–
NGB	13 993	(13 993)	–
NCT	963	(963)	–
NCC	142	(142)	–
Total	173 275	(173 275)	–

3. Aid assistance

	2019/20 R'000	2018/19 R'000
Opening Balance	12 616	–
As restated	12 616	–
Transferred from statement of financial performance	7 490	12 616
Paid during the year	(12 616)	–
Closing Balance	7 490	12 616

the dti is the spending agency of the Reconstruction and Development Fund as defined in the Reconstruction and Development Fund, Act No 7 of 1994 (RDP Act).

Projects with MoA's have been paid in full in the 2019/20 financial year with no outstanding amounts due on these projects (R21 million being the amount due to projects in the 2018/19 financial year). The continuation of this programme and support towards additional projects are subject to the receipt of remaining funding from the RDP Fund in accordance with the RDP Act.

Refer to annexure 1G for more information on aid assistance.

3.1 Analysis of balance by source

	2019/20 R'000	2018/19 R'000
Aid assistance from RDP	7 490	12 616
Closing Balance	7 490	12 616

3.2 Analysis of balance

	2019/20 R'000	2018/19 R'000
Aid assistance repayable	7 490	12 616
Closing balance	7 490	12 616

3.2.1 Aid assistance prepayments (expensed) – 2019/20

	Amount as at 1 April 2019 R'000	Less: Received in the current year R'000	Add/Less: Other R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2020 R'000
Transfers and subsidies	16 211	(5 293)	–	38 267	49 185
Closing balance	16 211	(5 293)	–	38 267	49 185

Aid assistance prepayments (expensed) – 2018/19

	Amount as at 1 April 2018 R'000	Less: Received in the current year R'000	Add/Less: Other R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2019 R'000
Transfers and subsidies	–	(5 948)	–	22 159	16 211
Closing balance	–	(5 948)	–	22 159	16 211

3.3 Prior period error

	2019/20 R'000	2018/19 R'000
Relating to 2018/19	–	(5 948)
Transfers and subsidies	–	(5 948)
Total prior period errors	–	(5 948)

3.4 Aid Assistance Expenditure per economic classification

	2019/20 R'000	2018/19 R'000
Transfers and Subsidies	38 267	43 836
Total aid assistance expenditure	38 267	43 836

4. Compensation of employees

	2019/20 R'000	2018/19 R'000
Salaries and Wages		
Basic salary	624 832	606 358
Performance award	14 935	15 051
Service Based	2 217	1 882
Compensative/circumstantial*	3 301	4 585
Service Bonus	41 852	40 316
Home Owners allowance	10 543	9 643
Other non-pensionable allowances**	140 546	142 578
Foreign allowance***	46 508	54 309
Total	884 734	874 722

* Compensative/circumstantial refers to payments and allowances paid to employees, e.g. acting allowance, overtime, etc.

** Other non-pensionable allowances comprise of car allowances and benefits structured as part of salary packages for employees on level 11 and higher.

***Foreign allowances refers to the cost of living allowances paid to employees based abroad at foreign mission offices.

Social contributions

	2019/20 R'000	2018/19 R'000
Employer contributions		
Pension	83 575	81 348
Medical	26 791	25 920
Bargaining council	115	109
Insurance	–	1
Total	110 481	107 378
Total compensation of employees	995 215	982 100
Average number of employees	1 236	1 293

5. Goods and services

	Note	2019/20 R'000	2018/19 R'000
Administrative fees		6 967	5 044
Advertising		10 416	27 614
Minor Assets	5.1	235	315
Bursaries (employees)		4 634	3 606
Catering		2 946	3 582
Communication		8 804	9 213
Computer services	5.2	17 091	35 341
Consultants: business and advisory services		55 815	41 958
Legal services		20 540	17 160
Contractors		15 983	23 399
Agency and support/outsourced services		466	218
Entertainment		707	1 382
Audit cost-external	5.3	8 186	10 419
Fleet services		1 099	730
Consumables	5.4	5 724	5 586
Operating leases		350 464	342 117
Property payments	5.5	7 215	6 594
Travel and subsistence	5.6	108 141	108 718
Rental and hiring		5 144	4 526
Venues and facilities		27 117	30 886
Training and development		4 440	10 249
Other operating expenditure	5.7	26 914	23 233
Total		689 048	711 890

5.1 Minor Assets

	Note	2019/20 R'000	2018/19 R'000
Tangible assets		235	315
Machinery and equipment		235	315
Intangible assets		–	–
Software		–	–
Total		235	315

5.2 Computer services

		2019/20 R'000	2018/19 R'000
SITA computer services		7 689	8 113
External computer service providers		9 402	27 228
Total		17 091	35 341

5.3 Audit cost – External

		2019/20 R'000	2018/19 R'000
Regularity audits		7 603	10 185
Computer audits		583	234
Total		8 186	10 419

5.4 Consumables

	Note	2019/20 R'000	2018/19 R'000
Consumable supplies		1 169	565
Uniform and clothing		525	62
Household supplies		238	85
Building material and supplies		8	23
Communication accessories		5	2
IT consumables		330	286
*Other consumables		63	107
Stationery, printing and office supplies		4 555	5 021
Total		5 724	5 586

*Mainly includes medical supplies, security access consumables, bags and accessories.

5.5 Property payments

	Note	2019/20 R'000	2018/19 R'000
Municipal services		717	965
Property management fees		1 625	2 358
Property maintenance and repairs		3 911	2 016
Other*		962	1 255
Total		7 215	6 594

*Mainly includes security services, cleaning services, pest control and laundry services.

5.6 Travel and subsistence

	Note	2019/20 R'000	2018/19 R'000
Local		51 196	49 860
Foreign		56 945	58 858
Total		108 141	108 718

5.7 Other operating expenditure

	Note	2019/20 R'000	2018/19 R'000
Courier, delivery and freight services		948	1 969
Professional bodies, membership and subscription fees		2 307	3 070
Printing and publications services		8 192	9 640
Resettlement costs		4 722	3 216
School boarding/ tuition cost		8 776	3 845
Storage of files/assets		1 429	1 056
Other		540	437
Total		26 914	23 233

6. Payments for financial assets

	Note	2019/20 R'000	2018/19 R'000
Other material losses written off	6.1	155	–
Debts written off	6.2	14 091	409
Forex losses	6.3	275	42
Total		14 521	451

6.1 Other material losses written off

	Note	2019/20 R'000	2018/19 R'000
Nature of losses			
Rental damages*		155	–
Total		155	–

*Damages to own and rental vehicles

6.2 Debts written off

	Note	2019/20 R'000	2018/19 R'000
Recoverable revenue written off:			
Official debt		30	166
Other(tax, cell/telephone, breach of contract, travel and subsistence)		16	27
Enterprise Investment Programme (EIP)		14 015	169
Sub-Total		14 061	362
Other debt written off:			
Official debt		30	42
Other (tax, cell/telephone, breach of contract, travel and subsistence)		–	5
Sub-total		30	47
Total debt written off		14 091	409

6.3 Forex losses

	Note	2019/20 R'000	2018/19 R'000
Nature of losses			
Forex losses		275	42
Total		275	42

7. Transfers and subsidies

Departmental agencies and accounts	Annex1A	701 201	667 495
Public corporations and private enterprises	Annex1B	7 344 133	6 876 115
Foreign governments and international organisations	Annex 1C	29 646	27 650
Non-profit institutions	Annex 1D	178 897	202 430
Households	Annex 1E	5 128	4 070
Total		8 259 005	7 777 760

8. Expenditure for capital assets

	Note	2019/20 R'000	2018/19 R'000
Tangible assets		9 287	16 970
Machinery and equipment	31.1	9 287	16 970
Intangible assets		2 530	1 073
Computer software	32.1	2 530	1 073
Total		11 817	18 043

8.1 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Machinery and equipment	9 287	–	9 287
Intangible assets			
Computer software	2 530	–	2 530
Total	11 817	–	11 817

8.2 Analysis of funds utilised to acquire capital assets – 2018/19

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Machinery and equipment	16 970	–	16 970
Intangible assets			
Computer software	1 073	–	1 073
Total assets acquired	18 043	–	18 043

9. Cash and cash equivalents

	Note	2019/20 R'000	2018/19 R'000
Consolidated Paymaster General Account		137 535	–
Cash on hand		49	41
Cash with commercial banks (Local)		1 482	5 279
Total		139 066	5 320

10. Other financial assets

	Note	2019/20 R'000	2018/19 R'000
Current			
Foreign			
Rental deposits for employees based abroad		507	442
Sub-total		507	442
Total Current other financial assets		507	442
Non-current			
Foreign			
Rental deposits for employees based abroad		786	807
Sub-total		786	807
Total Non-current other financial assets		786	807

11. Prepayments and advances

	Note	2019/20 R'000	2018/19 R'000
Staff advances		26	23
Travel and subsistence		310	648
Prepayments (not expensed)	11.2	3 996	–
Advances paid (Not expensed)	11.1	2 454	63 898
Total		6 786	64 569

11.1 Advances paid (not expensed) *

	Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add/Less: Other	Add: Current Year advances	Balance as at 31 March 2020
	11	R'000	R'000	R'000	R'000	R'000
National departments*		63 898	(181 608)	–	120 000	2 290
Public entities		–	(474)	–	638	164
Total		63 898	(182 082)	–	120 638	2 454

*Amount for advances paid to National departments relate to advance payments to the Department of International Relations and Cooperation for costs incurred by the foreign mission offices of **the dti**.

		Balance as at 1 April 2018	Less: Amount expensed in current year	Add/Less: Other	Add: Current Year advances	Balance as at 31 March 2019
Advances paid (not expensed)		R'000	R'000	R'000	R'000	R'000
National departments		70 706	(186 808)	–	180 000	63 898
Total		70 706	(186 808)	–	180 000	63 898

11.2 Prepayments (not expensed)

		Balance as at 1 April 2019	Less: Amount expensed in current year	Add/Less: Other	Add: Current Year prepayments	Balance as at 31 March 2020
<i>Listed by economic classification</i>						
Goods and services		–	–	–	3 996	3 996
Total		–	–	–	3 996	3 996

11.3 Prepayments (expensed)

		Balance as at 1 April 2019	Less: Amount received in current year	Add/Less: Other	Add: Current Year prepayments	Balance as at 31 March 2020
<i>Listed by economic classification</i>						
Transfers and subsidies		25 113	(25 113)	–	33 260	33 260
Total		25 113	(25 113)	–	33 260	33 260

		Balance as at 1 April 2018	Less: Amount received in current year	Add/Less: Other	Add: Current Year prepayments	Balance as at 31 March 2019
Prepayments (expensed)						
<i>Listed by economic classification</i>						
Transfers and subsidies		17 581	(17 581)	–	25 113	25 113
Total		17 581	(17 581)	–	25 113	25 113

11.4 Advance paid (expensed)

	Amount as at 1 April 2019 R'000	Less: Received in the current year R'000	Add: Current Year advances R'000	Amount as at 31 March 2020 R'000
National departments	406	–	–	406
Total	406	–	–	406
	Amount as at 1 April 2018 R'000	Less: Received in the current year R'000	Add: Current Year advances R'000	Amount as at 31 March 2019 R'000
National departments	528	(911)	789	406
Total	528	(911)	789	406

12. Receivables

Receivables	Note	2019/20			2018/19		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	12.1	3 685	18 153	21 838	3 370	33 513	36 883
Staff debt	12.2	629	852	1 481	832	483	1 315
Other receivables	12.3	151	986	1 137	292	753	1 045
Total		4 465	19 991	24 456	4 494	34 749	39 243

12.1 Claims recoverable

	2019/20 R'000	2018/19 R'000
National departments	136	1 979
Provincial departments	–	224
Public entities	2 131	1 136
Private enterprises	19 571	33 544
Total	21 838	36 883

12.2 Staff debt

	Note	2019/20 R'000	2018/19 R'000
Bursary		759	455
Unpaid Leave		213	194
Official debt (in service)		395	561
Travel and Subsistence		4	32
Petty Cash		2	–
Child allowances		79	72
Other (tax debt in service)		–	1
Rental deposit		29	–
Total		1 481	1 315

12.3 Other receivables

	Note	2019/20 R'000	2018/19 R'000
Bursary		159	215
Official debt (out of service)		775	760
Tax		–	2
Unpaid Leave		151	30
Other (losses, i.e. laptops, access cards)		52	38
Total		1 137	1 045

12.4 Impairment of receivables

	Note	2019/20 R'000	2018/19 R'000
Estimate of impairment of receivables		16 663	34 266
Total		16 663	34 266

13. Voted funds to be surrendered to the Revenue Fund

	Note	2019/20 R'000	2018/19 R'000
Opening balance		41 512	94 937
Transfer from statement of financial performance		115 121	41 514
Paid during the year		(41 516)	(94 939)
Closing balance		115 117	41 512

14. Departmental revenue to be surrendered to the Revenue Fund

	Note	2019/20 R'000	2018/2019 R'000
Opening balance		61	4 359
Transfer from Statement of Financial Performance		106 063	73 305
Paid during the year		(85 733)	(77 603)
Closing balance		20 391	61

15. Bank Overdraft

	Note	2019/20 R'000	2018/19 R'000
Consolidated Paymaster General Account		–	18 179
Total		–	18 179

16. Payables – current

	Note	2019/20 R'000	2018/19 R'000
Advances received	16.1	8 783	–
Clearing accounts	16.2	187	85
Other payables	16.3	3 966	4 015
Total		12 936	4 100

16.1 Advances received

	Note	2019/20 R'000	2018/19 R'000
Public entities	Annex 5B	8 783	–
Total		8 783	–

16.2 Clearing accounts

	Note	2019/20 R'000	2018/19 R'000
PAYE		142	18
Government Employee Housing Scheme		21	67
Pension fund		24	–
Total		187	85

16.3 Other payables

	Note	2019/20 R'000	2018/19 R'000
Employees (pension and leave pay-outs)		–	7
Liquor licence deposits		2 464	2 507
Cape Peninsula University of Technology		1 500	1 500
Other		2	1
Total		3 966	4 015

17. Net cash flow available from operating activities

	2019/20 R'000	2018/19 R'000
Net cash flow available from operating activities		
Net surplus/(deficit) as per Statement of Financial Performance	228 674	127 435
Add back non cash/cash movements not deemed operating activities	(61 432)	(183 717)
(Increase)/decrease in receivables	29	(4 813)
(Increase)/decrease in prepayments and advances	57 783	6 491
Increase/(decrease) in payables – current	8 836	(30 886)
Proceeds from sale of capital assets	(32)	(10)
(Increase)/decrease in other financial assets	65	(1 025)
Expenditure on capital assets	11 817	18 043
Surrenders to Revenue Fund	(127 249)	(172 542)
Surrenders to RDP Fund/Donor	(12 616)	–
Other non-cash items	(65)	1 025
Net cash flow generated by operating activities	167 242	(56 282)

18. Reconciliation of cash and cash equivalents for cash-flow purposes

	Note	2019/20 R'000	2018/19 R'000
Consolidated Paymaster General account		137 535	(18 179)
Cash on hand		49	41
Cash with commercial banks (Local)		1 482	5 279
Total		139 066	(12 859)

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

	Note	2019/20 R'000	2018/19 R'000
Liable to			
Housing loan guarantees	Annex 2A	111	111
¹ Claims against the department	Annex 2B	10 235	8 483
² Incentive grants	Annex 2B	10 084 090	8 865 681
Intergovernmental payables (unconfirmed balances)	Annex 4	7 202	6 589
Total		10 101 638	8 880 864

¹Claims against the department are disclosed and will only be settled on decision of the court or if the department accepts liability, both of which are unknown. Amounts disclosed are not necessarily the claim amount, but the amount determined as the most likely amount that the court might settle on. There are instances where claims were lodged against the department due to incentive claims not being approved. However, these were not included above due to the remoteness of the claims.

²Incentive grants approved by **the dti** are not always disbursed in the year of approval. Based on the rules of a particular Incentive scheme, grants approved in one year may be disbursed over a period of one to three years following approval. Disbursement of the incentive grant is in all cases conditional on the recipient firms carrying out their approved projects in line with the guidelines of the respective incentive scheme and meeting key performance requirements that are linked to the particular incentive such as achieved investment, output, employment, etc.

The opening balance of 1 April 2019 was restated to include Special Economic Zones (R869 million).

19.2 Contingent assets

	Note	2019/20 R'000	2018/19 R'000
Nature of contingent asset			
Incentive Claims ¹		19 755	13 132
Ditsebi Solutions ²		68 480	–
Property Management Trading Entity		808	–
Total		89 043	13 132

¹This is in respect of claims instituted by the department against certain incentive applicants. These claims have also resulted in the defendants raising counter claims against the department.

²The department has instituted a claim of R68,48 million against Ditsebi Solutions for breach of contract and damages. Furthermore, the department has lodged a claim with Standard Bank in respect of guarantees issued on the project to the value of R11 million.

20. Capital commitments

	Note	2019/20 R'000	2018/19 R'000
Class of asset			
Computer equipment		4 616	–
Other machinery and equipment		48	280
Furniture and office equipment		–	158
Software		–	234
Total		4 664	672

20. Capital commitments (continued)

	Note	2019/20 R'000	2018/19 R'000
Current expenditure		–	132 760
Approved and contracted		–	124 110
Approved but not yet contracted		–	8 650
Capital expenditure		4 664	672
Approved and contracted		4 664	672
Total commitments		4 664	133 432

Previously departments were requested to disclose both current and capital expenditure commitments. With effect from 1 April 2019, only capital expenditure commitments should be disclosed, hence no current expenditure commitments were disclosed.

21. Accruals and payables not recognised

21.1 Accruals

Listed by economic classification			2019/20 R'000	2018/19 R'000
	30 days	30+ days	Total	Total
Goods and services	52 761	6 592	59 353	46 044
Transfers and subsidies	4 592	19 506	24 098	10 805
Other	15 242	16 987	32 229	28 964
Total	72 595	43 085	115 680	85 813

*Other includes allowances payable to foreign officials and outstanding vouchers not yet received from DIRCO.

Listed by programme level			2019/20 R'000	2018/19 R'000
Administration			57 002	40 367
International Trade and Economic Development			119	835
Special Economic Zones and Economic Transformation			927	1 103
Industrial Development			100	780
Consumer and Corporate Regulation			179	687
Incentive Development and Administration			24 477	1 235
Trade and Investment South Africa			32 736	40 281
Investment South Africa			140	525
Total			115 680	85 813

21.2 Payables not recognised

Listed by economic classification			2019/20 R'000	2018/19 R'000
	30 days	30+ days	Total	Total
Goods and services	414	628	1 042	270
Other (Dirco)	–	–	–	5 203
Total	414	628	1 042	5 473

Listed by programme level				
Administration			622	242
International Trade and Economic Development			25	2
Industrial Development			21	26
Consumer and Corporate Regulation			13	–
Incentive Development and Administration			304	–
Trade and Investment South Africa			22	5 203
Investment South Africa			35	–
Total			1 042	5 473

	Note	2019/20 R'000	2018/19 R'000
Included in the above totals are the following:			
Confirmed balances with departments	Annex 4	314	–
Confirmed balances with other government entities	Annex 4	312	1 035
Total		626	1 035

22. Employee benefits

	Note	2019/20 R'000	2018/19 R'000
*Leave entitlement		40 024	36 343
Service Bonus (Thirteenth cheque)		22 229	21 313
Performance awards		7 851	14 813
Capped leave commitments		10 396	10 268
**Long service awards		411	409
Total		80 911	83 146

* The full leave entitlement becomes due on the 1st day of each leave cycle (January – December). In addition to the leave entitlement provision, there are negative leave credits to the value of R898 thousand, which relates to leave taken in excess of the accrued leave credits as at 31 March 2020.

**The provision on the long service awards disclosed above does not include the long term portion of the long service awards

23. Lease commitments

23.1 Operating leases expenditure

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2019/20			
Not later than 1 year	25 565	1 098	26 663
Later than 1 year and not later than 5 years	36 879	228	37 107
Later than five years	–	–	–
Total lease commitments	62 444	1 326	63 770
2018/19			
Not later than 1 year	13 631	4 014	17 645
Later than 1 year and not later than 5 years	10 158	1 211	11 369
Later than five years	456	–	456
Total lease commitments	24 245	5 225	29 470

This note excludes leases relating to Public Private Partnerships (PPP) as they are separately disclosed in note 28.

The lease commitment above includes:

- Accommodation leases relating to Foreign Economic Representatives stationed abroad
- Regional offices of **the dti** (i.e Durban, Port Elizabeth and Cape Town).

Block G: In addition to the above, National Treasury consented that **the dti** could enter into a sub-leasing arrangement with public entities for Block G until **the dti** completes the process of acquiring Block G and including it into the PPP contract. National Treasury has since given further extension until May 2021. It has however been established that Block G would no longer be beneficial to incorporate into the PPP. The lease will thus only be in effect until May 2021 as per National Treasury consent. A process with the NDPWI / public entities to consider taking up the space is underway considering the interconnectedness of the Block with the main campus. The lease commitment as per the contractual obligation during this extension period is R24,3 million (R53,5 million in 2018/19).

23.2 Finance leases expenditure

2019/20			
Machinery and equipment	Note	R'000	R'000
Not later than 1 year		1 519	1 519
Later than 1 year and not later than 5 years		658	658
Total lease commitments		2 177	2 177
2018/19			
Not later than 1 year		1 131	1 131
Later than 1 year and not later than 5 years		161	161
Total lease commitments		1 292	1 292
the dti is a participant on the Transversal Contract facilitated by National Treasury for the supply and delivery of Mobile Communication Services and handsets to the state.			

24. Accrued departmental revenue

	Note	2019/20 R'000	2018/19 R'000
Fines, penalties and forfeits		25 261	–
Interest, dividends and rent on land		–	–
Transaction in financial assets and liabilities		–	–
Total		25 261	–

The department has instituted a written demand to Standard Chartered to release monies held on behalf of Trans Ocean Inc. in bank guarantee to the value of \$1411920

24.1 Analysis of accrued departmental revenue

	Note	2019/20 R'000	2018/19 R'000
Opening balance		–	–
Less: Amounts received		–	–
Add: Amounts recognised		25 261	–
Less: Amounts transferred to receivables for recovery		–	–
Total		25 261	–

The prior year figure has been restated to zero due to it already been included under receivables.

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance		1 432	1 326
Add: Irregular expenditure – relating to current year		–	106
Less: Prior year amounts condoned		(1 326)	–
Less: Amounts not condoned and recoverable		–	–
Irregular expenditure awaiting condonation		106	1 432

	Note	2019/20 R'000	2018/19 R'000
Analysis of awaiting condonation per age classification			
Current year		–	106
Prior years		106	1 326
Total		106	1 432

25.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2019/20 R'000
		–
Total		–

25.3 Details of irregular expenditure condoned

Incident	Condoned by (relevant authority)	2019/20 R'000
Acting allowance	National Treasury	68
Procurement	National Treasury	1 258
Total		1 326

25.4 Details of irregular expenditure not condoned and not recoverable

Incident	Not condoned by (condoning authority)	2019/20 R'000
		–
		–
Total		–

26. Related-party transactions

	Note	2019/20 R'000	2018/19 R'000
Revenue received			
Rent on land	26.1	18 424	16 749
Total		18 424	16 749

	Note	2019/20 R'000	2018/19 R'000
Year end balances arising from revenue/payments			
Payables to related parties		–	–
Receivables from related parties	Annex 3	64	99
Total		64	99

26.1 Rent on land

	Note	2019/20 R'000	2018/19 R'000
Name of Department/Entity			
CIPC		18 424	16 749
Total		18 424	16 749

the dti is providing accommodation on its campus to the Companies and Intellectual Property Commission at a reduced rental.

In addition, the department is also providing office accommodation to the Companies Tribunal, for which there is no charge.

List of related party relationships:

- Companies and Intellectual Property Commission (CIPC)
- Export Credit Insurance Corporation (ECIC) SOC Limited of South Africa
- National Consumer Commission (NCC)
- National Consumer Tribunal (NCT)
- Companies Tribunal (CT)
- National Credit Regulator (NCR)
- National Empowerment Fund (NEF)
- National Gambling Board of SA (NGB)
- National Lotteries Commission (NLC)
- National Metrology Institute of South Africa (NMISA)
- National Regulator for Compulsory Specifications (NRCS)
- South African Bureau of Standards (SABS)
- South African National Accreditation System (SANAS)

Related parties disclosed under this note are only those related parties that fall within the Ministers portfolio. For related party transactions relating to other departments and entities, please refer to the Accounting Officers report.

As per the definition of related parties, key management personnel form part of the related parties. This has been separately disclosed under note 27.

27. Key management personnel

	No. of Individuals	Note	2019/20 R'000	2018/19 R'000
Political office bearers (provide detail below)	4		6 100	4 379
Officials:				
Level 15 to 16	15		27 492	26 508
Level 14	59		78 732	74 868
Family members of related parties	-		-	-
Total			112 324	105 755

Political office bearers consist of:

Trade and Industry:

- Minister RH Davies, from 11 May 2009 to 24 May 2019
- Deputy Minister G Magwanishe, from 1 April 2017 to 24 May 2019
- Deputy Minister N Gina, from 30 May 2019 to date
- Deputy Minister FZ Majola, from 30 May 2019 to date

Minister Patel was on the payroll of the Economic Development Department in the 2019/20 financial year.

28. Public Private Partnership

Buildings and other fixed structures

the dti campus Public Private Partnership (PPP) is based on a partnership between **the dti** and the City of Tshwane under which the City owns the land. The City will also own all fixed assets erected thereon. **the dti** will enjoy the peaceful and undisturbed benefits of a sustained collaborative working and unified service delivery environment, to be provided by Rainprop (Pty) Ltd as the private sector partner, who signed an experience delivery agreement with **the dti**.

The construction of **the dti** campus was finalized during the first half of 2004, where after the move and decant took place between May and November 2004.

Motor vehicles

the dti participates in the Department of Transport's Fleet Management contract for the use of its pool vehicles. The contract is currently on a month-to-month extension until further notice from National Treasury.

28.1 Unitary fee paid

	Note 28	2019/20 R'000	2018/19 R'000
Fixed component		256 292	246 229
• Motor vehicles		3 215	3 693
• Buildings and other fixed structures		253 077	242 536
Indexed component		30 687	32 765
• Motor vehicles		1 689	1 423
• Buildings & fixed structures		28 998	31 342
Analysis of indexed component		30 687	32 765
Goods and services (excluding lease payments)		28 998	31 342
Operating leases		1 689	1 423

28.2 PPP commitments

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2019/20			
Not later than 1 year	263 781	2 947	266 728
Later than 1 year and not later than 5 years	1 167 801	–	1 167 801
Later than five years	1 371 424	–	1 371 424
Total lease commitments	2 803 006	2 947	2 805 953

	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2018/19			
Not later than 1 year	253 077	1 846	254 923
Later than 1 year and not later than 5 years	1 131 436	–	1 131 436
Later than five years	1 725 355	–	254 923
Total lease commitments	3 109 868	1 846	3 111 714

29. Provisions

	Note	2019/20 R'000	2018/19 R'000
Export Marketing and Investment Assistance(EMIA)		25 251	51 520
Total		25 251	51 520

As from the date the dti approves funding, the dti has an unconditional obligation to pay the preferred supplier on submission of the required claim documents. The preferred supplier can claim the incentive at any-time therefore the timing of the obligation is not known. The amount of the obligation is known as the approval letter specifies the maximum amount payable to the grantee.

29.1 Reconciliation of movement in provisions – 2019/20

	EMIA R'000	Total Provisions R'000
Opening balance	51 520	51 520
Increase in provision	230 219	230 219
Settlement of provision	(229 440)	(229 440)
Unused amount reversed	(27 048)	(27 048)
Change in provision due to change is estimation inputs	–	–
Closing balance	25 251	25 251

29.2 Reconciliation of movement in provisions – 2018/19

	EMIA R'000	Total Provisions R'000
Opening balance	46 984	46 984
Increase in provision	263 963	263 963
Settlement of provision	(221 826)	(221 826)
Unused amount reversed	(37 601)	(37 601)
Change in provision due to change is estimation inputs	–	–
Closing balance	51 520	51 520

30. Non-adjusting events after reporting date

The department was impacted by the national macro organisation of government (NMOG). The Department of Trade and Industry and Economic Development Department will merge with effect from 1 April 2020. As the merger took place after year end, there are no additional disclosure requirements for the primary financial information.

The impact of the COVID-pandemic on the economy, together with the budget adjustments, which were tabled by the Minister of Finance on 24 June 2020, required a change to the 2020/21 Annual Performance Plan.

31. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	145 479	–	9 311	(5 741)	149 049
Transport assets	5 498	–	–	–	5 498
Computer equipment	119 283	–	7 044	(5 294)	121 033
Furniture and office equipment	9 645	–	589	(192)	10 042
Other machinery and equipment	11 053	–	1 678	(255)	12 476
Total movable tangible capital assets	145 479	–	9 311	(5 741)	149 049

31.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash R'000	Non- cash R'000	(Capital work-in- progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year R'000	Total R'000
Machinery and equipment	9 287	24	–	–	9 311
Transport assets	–	–	–	–	–
Computer equipment	7 030	14	–	–	7 044
Furniture and office equipment	579	10	–	–	589
Other machinery and equipment	1 678	–	–	–	1 678
Total additions to movable tangible capital assets	9 287	24	–	–	9 311

31.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received Actual R'000
Machinery and equipment	–	5 741	5 741	32
Transport assets	–	–	–	–
Computer equipment	–	5 294	5 294	32
Furniture and office equipment	–	192	192	–
Other machinery and equipment	–	255	255	–
Total disposal of movable tangible capital assets	–	5 741	5 741	32

31.3 Movement for 2018/19

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery and equipment	141 129	–	17 036	(12 686)	145 479
Transport assets	5 955	–	–	(457)	5 498
Computer equipment	113 959	–	15 202	(9 878)	119 283
Furniture and office equipment	10 695	–	1 102	(2 152)	9 645
Other machinery and equipment	10 520	–	732	(199)	11 053
Total movable tangible capital assets	141 129	–	17 036	(12 686)	145 479

31.4 Minor assets

MOVEMENT IN MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2020

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	2 966	4 826	7 792
Value adjustments	–	–	–
Additions	–	251	251
Disposals	(8)	(99)	(107)
Total minor assets	2 958	4 978	7 936

31.4 Minor assets (continued)

MOVEMENT IN MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2020

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Number of R1 minor assets	–	50	50
Number of minor assets at cost	2 587	2 807	5 394
Total number of minor assets	2 587	2 857	5 444

MOVEMENT IN MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2019

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	2 979	4 774	7 753
Value adjustments	–	(3)	(3)
Additions	–	373	373
Disposals	(13)	(318)	(331)
Total minor assets	2 966	4 826	7 792

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Number of R1 minor assets	–	26	26
Number of minor- assets at cost (R'000)	2 593	2 820	5 413
Total	2 593	2 846	5 439

31.5 Moveable assets written off

MOVEABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2020

	Machinery and equipment R'000	Total R'000
Assets written off	546	546
Total	546	546

31.6 Moveable assets written off for the year ended 31 March 2019

	Machinery and equipment R'000	Total R'000
Assets written off	606	606
Total	606	606

31.7 S42 Movable Capital Assets

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
No of Assets	1	173	174
Value of the asset (R'000)	8 338	3 877	12 215

31.8 Minor Assets subjected to transfer in terms of S42 of the PFMA – 31 March 2020

	Machinery and equipment R'000	Total R'000
No of Assets	116	116
Value of the asset (R'000)	270	270

31.9 Major Assets subjected to transfer in terms of S42 of the PFMA – 31 March 2019

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
No of Assets	1	156	157
Value of the asset (R'000)	8 338	3 587	11 925

31.10 Minor Assets subjected to transfer in terms of S42 of the PFMA – 31 March 2019

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
No of Assets	–	103	103
Value of the asset (R'000)	–	238	238

32. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
Software	60 097	–	2 530	–	62 627
Total intangible capital assets	60 097	–	2 530	–	62 627

32.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash R'000	Non- cash R'000	(Development work-in- progress current costs) R'000	Received current, not paid (Paid current year, received prior year R'000)	Total R'000
Software	2 530	–	–	–	2 530
Total additions to intangible capital assets	2 530	–	–	–	2 530

32.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000
Software	–	–	–
Total disposal of intangible capital assets	–	–	–

32.3 Movement for 2018/19

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Current Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Computer Software	60 287	–	1 073	(1 263)	60 097
Total intangible capital assets	60 287	–	1 073	(1 263)	60 097

33. Prior period errors

	Note	Amount before error correction R'000	Prior period error R'000	Restated amount R'000
Assets				
Accrued departmental revenue ¹	24	2 517	(2 517)	–
Net effect		2 517	(2 517)	–

¹ The prior year figure has been restated to zero due to it already been included under receivables.

	Note	Amount before error correction R'000	Prior period error R'000	Restated amount R'000
Other				
Aid assistance prepayments ²	3.3	22 159	(5 948)	16 211
Contingent liabilities ³	19.1	8 011 808	869 056	8 880 864
Net effect		8 033 967	863 108	8 897 075

² Restatement of Aid assistance prepayments

³ Opening of 1 April 2019 in respect of contingent liabilities was restated to include Special Economic Zones

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 1A: STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Department/Agency/Account	Transfer Allocation				Transfer		2018/19
	Adjusted appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available funds transferred %	
Companies Tribunal	17 352	-	-	17 352	17 352	100%	16 740
National Consumer Commission	58 304	-	-	58 304	58 304	100%	69 674
National Consumer Tribunal	56 639	-	-	56 639	56 639	100%	52 688
National Credit Regulator	86 580	-	-	86 580	86 580	100%	75 361
National Gambling Board	33 797	-	-	33 797	33 797	100%	32 624
National Metrology Institute of South Africa: Operations	115 057	-	-	115 057	115 057	100%	109 698
National Metrology Institute of South Africa	129 979	-	-	129 979	129 979	100%	123 086
National Productivity Institute	30 996	-	-	30 996	30 996	100%	9 231
National Regulator for Compulsory Specifications	139 501	-	-	139 501	139 501	100%	146 104
South African National Accreditation System	31 669	-	-	31 669	31 669	100%	31 032
Council for Geoscience	1 327	-	-	1 327	1 327	100%	1 257
Total	701 201	-	-	701 201	701 201		667 495

ANNEXURE 1B: STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2018/19 Final Appropriation
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Transfers	3 560 248	–	235 000	3 795 248	3 791 943	99.9%	1 510 961	2 280 982	3 031 387
Council for Scientific and Industrial Research	1 942	–	–	1 942	1 942	100.0%	–	1 942	1 839
Council for Scientific and Industrial Research: Aerospace Industry	21 556	–	–	21 556	21 556	100.0%	21 556	–	31 753
Council for Scientific and Industrial Research: National Cleaner Production Centre	53 592	–	–	53 592	53 592	100.0%	–	53 592	58 008
Export Credit Insurance Corporation	193 511	–	40 000	233 511	233 511	100.0%	–	233 511	183 248
Industrial Development Corporation: Clothing and Textile Production Incentive	821 386	–	–	821 386	821 386	100.0%	–	821 386	787 529
Industrial Development Corporation: Customised Sector Programme	17 013	–	–	17 013	17 013	100.0%	–	17 013	16 111
Council for Scientific and Industrial Research: National Foundry Technology Network	18 699	–	–	18 699	18 699	100.0%	–	18 699	8 185
ProTechnik Laboratories: Capital	1 430	–	–	1 430	1 429	99.9%	1 429	–	1 354
ProTechnik Laboratories: Operations	3 455	–	–	3 455	3 455	100.0%	–	3 455	3 272
South African Bureau of Standards	420 384	–	–	420 384	420 384	100.0%	–	420 384	375 931
Various Institutions: Critical Infrastructure Programme	200 000	–	(65 000)	135 000	134 933	100.0%	134 933	–	83 040
Various Institutions: Special Economic Zones	1 096 280	–	260 000	1 356 280	1 353 043	99.8%	1 353 043	–	1 159 117
Industrial Development Corporation: Manufacturing Competitiveness Enhancement Programme Industrial Loan	700 000	–	–	700 000	700 000	100.0%	–	700 000	300 000
Various Institutions: One Stop Shop	11 000	–	–	11 000	11 000	100.0%	–	11 000	22 000
Sub total: Public corporations	3 560 248	–	235 000	3 795 248	3 791 943	99.9%	1 510 961	2 280 982	3 031 387

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2018/19
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	
Private enterprises									
Transfers	404 802	–	(97 000)	307 802	287 605	93.4%	62 030	225 575	329 600
Various institutions: Export Market and Investment Assistance	240 478	–	(15 000)	225 478	211 578	93.8%	–	211 578	223 687
Various Institutions Support Programme for Industrial Innovation	41 433	–	(22 000)	19 433	13 997	72.0%	–	13 997	37 645
Various institutions: Critical Infrastructure Programme	122 891	–	(60 000)	62 891	62 030	98.6%	62 030	–	68 268
Subsidies	3 363 589	–	(98 000)	3 265 589	3 264 585	100.0%	–	3 264 585	3 534 097
Automotive Production and Development Programme: Production Allowance	1 553 188	–	410 640	1 963 828	1 963 594	100.0%	–	1 963 594	1 959 650
Supplier Cluster Development	129 994	–	(123 375)	6 619	6 619	100.0%	–	6 619	350
National Research Foundation: Technology and Human Resources for Industrial Programme	52 740	–	–	52 740	52 582	99.7%	–	52 582	43 299
Business Process Service Incentive	351 933	–	–	351 933	351 785	100.0%	–	351 785	302 582
Enterprise Investment Programme	510 232	–	(473 299)	36 933	36 477	98.8%	–	36 477	52 124
Film and Television Production Incentive	453 092	–	–	453 092	453 085	100.0%	–	453 085	529 487
Cluster Development Program	–	–	–	–	–	–	–	–	1 000
Manufacturing Competitiveness Enhancement Programme	308 770	–	91 674	400 444	400 443	100.0%	–	400 443	645 415
Regional Spatial Development Initiative	3 640	–	(3 640)	–	–	–	–	–	190
Sub total: Private enterprises	3 768 391	–	(195 000)	3 573 391	3 552 190	99.4%	62 030	3 490 160	3 863 697
TOTAL	7 328 639	–	40 000	7 368 639	7 344 133	99.7%	1 572 991	5 771 142	6 895 084



ANNEXURE 1C: STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENTS / INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available funds transferred %	
Transfers							
World Trade Organisation	16 200	–	(1 890)	14 310	14 282	98%	13 300
Organisation for the Prohibition of Chemical Weapons	5 778	–	(2 769)	3 009	3 008	99%	2 907
United Nations Industrial Development Organisation	7 560	–	–	7 560	4 716	62%	5 091
World Intellectual Property Organisation	5 779	–	–	5 779	5 779	100%	4 653
Treaty Organisation for Metrology	2 009	–	–	2 009	1 861	93%	1 702
Subtotal	37 326	–	(4 659)	32 667	29 646		27 653
TOTAL	37 326	–	(4 659)	32 667	29 646		27 653

ANNEXURE 1D: STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	
NON-PROFIT INSTITUTIONS							
Transfers							
Proudly South African Campaign	37 623	–	–	37 623	37 623	100%	35 734
Intsimbi Future Production Technologies Initiatives	88 341	–	–	88 341	88 341	100%	116 136
Centurion Aerospace Village	16 357	–	–	16 357	16 357	100%	15 490
Trade And Industrial Policy Strategies	27 763	–	–	27 763	27 763	100%	27 086
Automotive Supply Chain Competitiveness Initiative	8 813	–	–	8 813	8 813	100%	7 984
Subtotal	178 897	–	–	178 897	178 897		202 430
TOTAL	178 897	–	–	178 897	178 897		202 430



ANNEXURE 1E: STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	
Transfers							
Employee social benefits	1 145	–	3 846	4 991	4 863	97%	3 755
Gift and donations	–	–	115	115	115	100%	338
Payments/Refunds and Remissions as an act of grace	–	–	18	18	18	100%	4
Claims against state	–	–	132	132	132	100%	–
Subtotal	1 145	–	4 111	5 256	5 128		4 097
TOTAL	1 145	–	4 111	5 256	5 128		4 097

ANNEXURE 1F: STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20 R'000	2018/19 R'000
Received in kind			
Africa Investment Exchange (AIX)	Sponsored trip to London, The United Kingdom to represent the dti at the Annual Africa Investment Exchange (AIX) on Gas.	–	21
African Centre for Economic Transformation (ACET)	Sponsored trip to the African Transformation Forum held in ACCRA, Ghana and representing the Minister on a number of panels.	–	17
Bill and Melinda Gates Foundation	Sponsored trip to attend the 5th International Faecal Sludge Management Conference held in Cape Town	–	30
Comprehensive Nuclear-Test-Ban Treaty Organisation	Sponsored trip to participate in the Technical Training for Public Key Infrastructure operators for Radionuclide and Wave-form stations in Austria	–	33
Consolidated Electrical Distributors (CED) (Pty) Ltd	Sponsored trip to conduct an inspection of the CHINT transformer production facilities in China	–	59
Consolidated Electrical Distributors (CED) (Pty) Ltd	Sponsored trip to conduct Inspection of the CHINT transformer production facilities in China.	–	29
European Union	Sponsored trip to attend the Trade Control Summer University on non-proliferation and export control	–	26
Japan International Cooperation Agency (JICA)	Stipend for a sponsored trip to attend the facilitating trade and investment for African countries through regional economic cooperation programme organised by the Japan International Cooperation Agency	–	8
Limpopo Department of Health	Sponsored trip to conduct Local content Workshop with Limpopo Department of Health	–	8
McCabe Centre for Law and Cancer	Sponsored trip to participate in the McCabe Centre for Law and Cancer- alumni workshop in Melbourne, Australia	–	40
Ministry of Commerce of the People's Republic of China (MOFCOM) and United Nations Conference on Trade and OECD/ SADC Secretariat	Sponsored trip to attend a seminar on Economic Globalization and Industrial Transfer for Developing countries	–	62
	Sponsored trip to participate in meetings of the SADC Investment Focus Group, Sub-Committee on Investment, Investment Promotion Agencies Forum and joint meeting of Sub-Committee on Investment and Trade Negotiation Forum Services	–	49
Organization for the Prohibition of Chemical Weapons (OPCW)	Sponsored trip to attend the Sixteenth Regional Meeting of National Authorities of States Parties in Africa and the twentieth Annual Meeting of National Authorities of States Parties to the Chemical Weapons Convention	–	37

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20 R'000	2018/19 R'000
Received in kind			
Organization for the Prohibition of Chemical Weapons (OPCW), The Netherlands	Sponsored trip and general training course on the chemical weapons convention for the personnel of national authorities and relevant stakeholders held in the Hague, the Netherlands	–	23
Pakistan Strategic Export Control Division (SECDIV)	Sponsored trip to attend the Strategic Export Control Division (SECDIV) International Seminar on Strategic Export Control in Islamabad	–	27
Rheinmetall Denel Munition	Sponsored trip to attend the Ammunition Capability Demonstration (ACD) 2019 at Arniston, Western Cape	–	5
Southern African Customs Union (SACU) Secretariat	Sponsored trip to attend task team meeting of the SACU headquarters building in Namibia	–	11
South African Footwear & Leather Industries Association (SAFLIA)	Sponsored trip to Portugal to attend 20th UITIC congress.	–	31
Southern Sun	Sponsored accommodation and parking during an Inward Mission	–	19
The Commonwealth	Sponsored trip to attend the Commonwealth Regional Consultation on Multilateral, Regional and emerging Trade Issues for Africa in Seychelles.	–	16
The Concrete Institute	Training offered for free in the interest of bridging the skills gap on concrete materials (fly ash) for effective participation in committees.	–	10
The European Parliament	Sponsored trip to attend and participate on the Future of Economic Partnership Agreement, between the SACU, Mozambique and the UK	–	41
The European Union–South Africa (EU–SA)	Sponsored study tour trip to Paris, France, Brussels and Belgium on food waste	–	88
United Nations Conference on Trade and Development (UNCTAD)	Sponsored trip to participate in the inaugural African Forum for National Trade Facilitation Committees in Addis Ababa, Ethiopia	–	21
UNFCCC Workshop on Response Measures	Sponsored trip to attend a Response Measures Workshop in Cape Town	–	15
United Nations Industrial Development Organization (UNIDO)	Sponsored trip to attend the Quality Infrastructure Forum and Workshop on development of an overarching Quality Policy hosted in Belgium.	–	33
United Nations African Institute for Economic Development and Planning (IDEP)	Sponsored trip to participate in the International Trade Negotiations course and policy in Senegal	–	68
United Nations Economic Commission for Africa (UNECA)	Sponsored trip participate in the AGOA Capacity and Skills Development workshop in Accra.	–	38
United Nations Economic Commission for Africa (UNECA)	Sponsored trip to attend the Ad Hoc Expert Group Meeting on the role of Small and Medium Enterprises (SMEs) in the Industrialization process in Southern Africa and the 24th Session of the Intergovernmental Committee of Experts (ICE) Meeting on ECA, Southern Africa Office	–	18

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20 R'000	2018/19 R'000
Received in kind			
United Nations Environmental Programme (UNEP)	Sponsored trip to participate and chair sessions at Latin America workshop on Sustainable Food Systems, 02nd Global Conference on Sustainable Food Systems and Multi-Stakeholder Advisory Committee meeting in San Jose, Costa Rica.	–	27
United States of America (USA) Government and RAND Corporation of the USA	Sponsored trip to attended Strategic Export Controls and Related Border Security Workshop that was held in Dar es Salaam, Tanzania	–	85
University of Cape Town	Sponsored training: Ethical Leadership and Accountability to a total of thirty employees of the dti .	–	371
University of Johannesburg	Sponsored trip, as part of my PhD studies to Austria (Graz), to attend the 6th Graz Schumpeter Summer School.	–	21
University of Kwazulu-Natal	Sponsored trip to attend the pharmaceutical Policy Think Tank Meeting	–	11
USA Government	Sponsored trip to attend the Bureau of Industry and Security (BIS) Annual Conference on Export Controls and Policy (BIS Annual Update Conference) in Washington DC	–	159
World Intellectual Property Organisation (WIPO)	Sponsored trip to attend WIPO study visit held in Geneva, Switzerland.	–	38
World Trade Organization (WTO)	Sponsored trip to attend WTO Regional workshop on the Technical Barriers to Trade Agreement for English speaking African Countries, Dar es Salaam, Tanzania.	–	9
United Nations Office for Disarmament Affairs(UNODA)	Sponsored trip to attend the Workshop for the Southern African Development Community (SADC) in support of the full and effective implementation of Resolution 1540 (2004) in Southern Africa and the SADC Wiesbaden Conference Government – Industry Partnership in the implementation of Resolution 1540 (2004) that was held in Livingstone, Zambia	16	–
Friedrich Ebert Stiftung	Sponsored trip to attend Geneva Meeting on ISDS Reform and UNCTIRAL WG III Meeting Process	30	–
Organization for the Prohibition of Chemical Weapons (OPCW)	Sponsored trip to attend Technical Workshop, Training and the Seventeenth Regional Meeting of National Authorities of States Parties in Africa held in Netherlands and Addis Ababa in Ethiopia respectively.	93	–
Friedrich Ebert Stiftung	Sponsored trip to attend Strategy and preparatory session in Geneva on ISDS and UNCITRAL WGII	13	–
World Trade Organization (WTO)	Sponsored trip to attend the WTO Regional Advanced Trade Negotiations Simulation Course for English-Speaking African Countries and to participate as a panellist at the WTO Public Forum in Accra-Ghana and Geneva- Switzerland respectively.	275	–

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20 R'000	2018/19 R'000
Received in kind			
World Trade Organization (WTO)	Sponsored trip to attend a course on WTO Dispute Settlement (DS) in Geneva, Switzerland from 30 November 2019 - 08 December 2019 (including travel dates)	70	–
Columbia Centre for Sustainable Investment	Sponsored training on investment treaties and arbitration for Government officials, held in New York, USA,	79	–
International Science and Technology Centre, the US Department of State Export Control and Related Border Security Programme.	Sponsored trip to attend eCIT Management Training that was held in Argonne National Laboratory in Chicago, the United States of America from 07 to 15 December 2019.	128	–
United Nations Conference on Trade and Development (UNCTAD)	Sponsored trip to participate in the AfCFTA NTB focal points training on the Online Mechanism for Reporting, Monitoring and Elimination of NTBs in Nairobi - Kenya.	23	–
Singapore of Foreign Affairs	Awarded a scholarship to attend an executive training short course	38	
Commonwealth	Sponsored trip to participate in the Connectivity Agenda Cluster Week held in London - United Kingdom	62	
Comprehensive Nuclear-Test-Ban-Treaty Organization	Sponsored trip to participate in the Working Group B (WGB) meeting of the Comprehensive Nuclear-Test-Ban Treaty in Vienna, Austria.	58	
Tripartite Capacity Building Programme (TCBP)	Sponsored trip to participate in the NTBs focal points/CBTA meeting and a workshop on the Tripartite online Messaging, Reporting, Monitoring and eliminating mechanism in Nairobi.	27	–
Japan International Cooperation Agency (JICA)	Sponsored trip to attend a Training Program: Facilitating Trade and Investment for African Countries through Regional Economic Cooperation, Japan and Indonesia	224	–
Department of industry and Trade in Hanoi Vietnam	Sponsored accommodation and ground transport during attendance of the 4th SA- Vietnam Joint Trade Committee in Vietnam, Hanoi	10	–
United States of America Department of State	Donation of the Commodity Identification Demo Kit to assist in enhancing capacity building efforts for enforcement in terms of the non-proliferation legislation.	102	–
Rosa Luxembourg Stiftung, Brussels and SEATINI	Sponsored trip to participate as a panellist at the WTO Public Forum in Geneva-Switzerland	26	–
African Union	Sponsored trip to participate as a panellist at the 2nd AU E-commerce Conference in Dakar-Senegal	26	–
Global Development Policy Centre, Boston University	Sponsored trip to participate as a panellist at the Global Development Policy Centre Expert Dialogue in Boston-United States.	30	–
German Federal Office for Economic Affairs and Export Control (BAFA)	Sponsored trip to attend the Wiesbaden Conference 2019 that was held in Wiesbaden-Germany.	45	–

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20 R'000	2018/19 R'000
Received in kind			
African Union Commission, NEPAD Agency	Sponsored trip to attend the Consolidation Workshop and the Status of the Implementation of Agenda 2063 held in Nairobi-Kenya.	36	–
United Nations Industrial Development Organization (UNIDO)	Sponsored trip to participate at a study tour global quality and standards programme funded by the Swiss Confederation and implemented by UNIDO	62	–
University of Columbia , New York USA	Executive Training Sponsorship	60	–
Ministry of Commerce of the People's republic of China	Stipend during the attendance of Seminar on the Construction and Management of Development sponsored by the Ministry of Commerce of the People's republic of China.	21	–
Trade Law Centre	Sponsored trip to attend the sponsored training programme on Introduction to Data Science for Trade Analysis in Cape Town (Capacity Building Training)	16	–
International Trade Centre	Sponsored trip to attend Workshop for Trade Promotion Organisations held in Tanzania, Uganda and Sierra Leone respectively.	59	–
Mozvest /SAOSA	Sponsored access ticket to attend SAOSA conference	8	–
Deloitte	Sponsored registration fees to attend Annual CEOs Kikao Forum	10	–
Export Credit Insurance Corporation (ECIC)	Sponsored trip to Ghana (CENPOWER PROJECT) to represent the dti as a shareholder in the ECIC Board (Non-Executive Director)	73	–
Miscellaneous (grouped small items)		43	70
Subtotal		1 763	1 674
TOTAL		1 763	1 674



ANNEXURE 1G: STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	PAID BACK ON/BY 31 MARCH 2020 R'000	CLOSING BALANCE R'000
Received in cash						
Employment Creation Fund	To create long-term sustainable employment.	12 616	45 757	38 267	12 616	7 490
Total		12 616	45 757	38 267	12 616	7 490

ANNEXURE 1H: STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIP MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20 R'000	2018/19 R'000
Paid in cash		
Bereavement of employees	18	4
Subtotal	18	4
Made in kind		
Employee assisted devices	–	142
Gifts for BRICS delegates	–	252
Mandela Day Commemoration	–	192
Token of appreciation for speakers at B-BBEE Commission's Annual and Women Empowerment Conferences	1	2
Ministerial outreach programme	77	–
Poverty alleviation programme	38	–
Miscellaneous (e.g. hospitality gifts and long service awards)	17	14
Subtotal	133	602
Total	151	606

ANNEXURE 2A: STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2020 – LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance April 2019 R'000	Guarantees draw-downs during the year R'000	Guaranteed repayments/ cancelled/ reduced during the year R'000	Revaluation due to foreign currency movements R'000	Closing balance 31 March 2020 R'000	Revaluations due to inflation rate movements R'000	Accrued guaranteed interest for year ended 31 March 2020 R'000
ABSA	Housing	111	111	–	–	–	111	–	–
	Total	111	111	–	–	–	111	–	–

ANNEXURE 2B: STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

NATURE OF LIABILITY	Opening balance 1 April 2019 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable R'000	Closing balance 31 March 2020 R'000
Claims against the department					
Automotive Incentive Scheme (AIS)	2 519 318	2 324 848	2 297 648	–	2 546 518
Business Process Services (BPS)	109 987	485 361	360 390	–	234 958
Film and Television Production	1 273 116	1 264 171	790 991	–	1 746 296
Critical Infrastructure Programme (CIP)	381 521	280 973	262 394	–	400 100
Capital Project Feasibility Programme (CPFP)	17 707	2 268	17 706	–	2 269
Manufacturing Competitive Enhancement Programme (MCEP)	80 348	9 366	32 154	–	57 560
Incubator Support Program (ISP)	24 611	–	–	–	24 611
Aquaculture Development Enhancement Program (ADEP)	277 807	89 984	136 338	–	231 453
Support Programme for Industrial Innovation (SPII)	71 199	30 078	23 427	–	77 850
Cluster Development Programme (CDP)	38 893	3 584	6 618	–	35 859
Black Industrialist Scheme (BIS)	2 510 490	668 482	680 329	–	2 498 643
Technology and Human Resources for Industry Programme (THRIP)	472 083	97 190	94 806	–	474 467
Agro Processing Support Scheme (APSS)	219 545	84 868	182 847	–	121 566
Rainprop	6 688	285 565	283 713	–	8 540
Interactive trading	895	–	–	–	895
Zest Polyurethanes	900	–	900	–	–
Special Economic Zones	*869 056	2 115 927	1 353 043	–	1 631 940
Property Management Trading Entity	–	800	–	–	800
TOTAL	8 874 164	7 743 465	6 523 304	–	10 094 325

ANNEXURE 3: CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/20*	
	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000	Receipt date up to six (6) working days after year end	Amount R'000
DEPARTMENTS								
Department of Small Business Development	-	-	100	63	100	63	-	-
Department of Economic Development	-	-	36	1 916	36	1 916	-	-
Gauteng: Economic Development	-	197	-	-	-	197	-	-
Eastern Cape: Rural Development and Agrarian Reform	-	-	-	27	-	27	-	-
Subtotal	-	197	136	2 006	136	2 203	-	-
OTHER GOVERNMENT ENTITIES								
International Trade Administration Commission	-	-	174	30	174	30	-	-
Competition Tribunal	-	3	2	-	2	3	-	-
Companies Tribunal	-	2	2	-	2	2	-	-
South African Bureau of Standards	-	81	-	2	-	83	-	-
Competition Commission	-	-	1 888	910	1 888	910	-	-
UNIDO Vienna	-	2	1	-	1	2	-	-
Companies and Intellectual Property Commission	-	-	64	99	64	99	-	-
National Gambling Board	-	-	-	7	-	7	-	-
Subtotal	-	88	2 131	1 048	2 131	1 136	-	-
Total	-	285	2 267	3 054	2 267	3 339		

ANNEXURE 4: INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding 31/03/2020	Unconfirmed balance outstanding 31/03/2019	Total 31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Justice and Constitutional Development	–	–	7 202	5 996	7 202	5 996
Department of Home Affairs	–	–	–	62	–	62
Department of Public Works	314	–	–	531	314	531
Subtotal	314	–	7 202	6 589	7 516	6 589
Total Departments	314	–	7 202	6 589	7 516	6 589
OTHER GOVERNMENT ENTITY						
Current						
National School of Government	145	–	–	–	145	–
National Gambling Board	35	395	–	–	35	395
Small Enterprise Finance Agency	132	640	–	–	132	640
Subtotal	312	1 035	–	–	312	1 035
TOTAL INTERGOVERNMENTAL PAYABLES	626	1 035	7 202	6 589	7 828	7 624

Cash in transit at year end 2019/20*		Amount
Payment date up to six (6) working days before year end		
		R'000
	–	–
	–	–
	–	–
	–	–
	–	–
	–	–
	–	–
	–	–
	–	–
	–	–



ANNEXURE 5A: INTER-ENTITY ADVANCES PAID (note 11)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation	–	–	2 290	63 898	2 290	63 898
Subtotal	–	–	2 290	63 898	2 290	63 898
PUBLIC ENTITIES						
National School of Government	–	–	164	–	164	–
Subtotal	–	–	164	–	164	–
TOTAL	–	–	2 454	63 898	2 454	63 898

ANNEXURE 5B: INTER-ENTITY ADVANCES RECEIVED (note 16)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	
	R'000	R'000	R'000	R'000	
PUBLIC ENTITIES					
Current					
National Skills Fund	8 783	—	—	—	—
Total	8 783	—	—	—	—



FOREIGN ECONOMIC OFFICES



EAST AFRICA and SADC			
Mission	Economic Office Staff	Telephone/Facsimile/Email	
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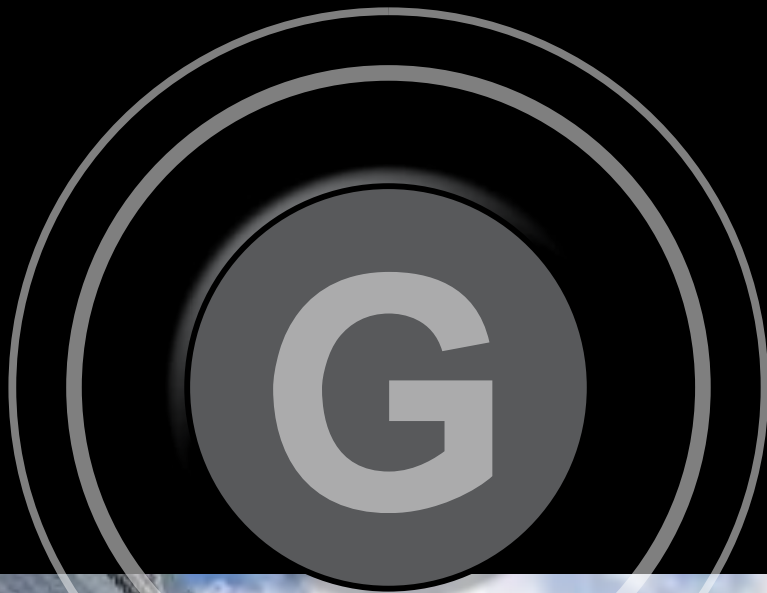
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ANNEXURES



ANNEXURE A: the dti B-BBEE REPORT 2019/20

1. INTRODUCTION

1.1 Section 10 of the Broad-Based Black Economic Empowerment (B-BBEE) Act obliges government to implement B-BBEE when procuring goods and service by stating the following:

Every organ of state and public entity must apply any relevant code of good practice issued in terms of this Act in-

- Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law;
- Developing and implementing a preferential procurement policy;
- Determining qualification criteria for the sale of state-owned enterprises;
- Developing criteria for entering into partnerships with the private sector; and
- Determining criteria for the awarding of incentives, grants, and investment schemes in support of B-BBEE.

1.2 The B-BBEE Act mandates that each government institution must annually include in their reports how they have implemented Section 10 of **the dti** B-BBEE Act as highlighted above. To comply with the requirements of the Act, this report presents the work that **the dti** undertook during the 2019/20 financial year to comply with Section 10 of the B-BBEE Act.

1.3 In addition, as the custodian of the B-BBEE, it is responsible for the implementation of the B-BBEE Act 46 of 2013 as amended, the Codes and the regulations, as well as institutional support measures and the instruments that support the promotion of B-BBEE objectives. Such work undertaken by **the dti** is presented in this report.

2. LICENCES AND CONCESSIONS

Registration (licensing) of manufacturers and distributors

The Liquor Act, No. 59 of 2003 (the Act), provides for the registration of macro manufacture and distribution of liquor. The Act promotes the transformation of the liquor industry. Section 13 of the Act requires a commitment made by the applicant in terms of black economic empowerment (BEE). The manufacturers and distributors complied with this requirement of the Act.

3. PREFERENTIAL PROCUREMENT

The department fully supports transformation and inclusivity of the economy in all its procurement. Policies have been amended and implemented fully to ensure compliance with the Preferential Procurement Policy Framework Act (PPPFA). In implementing this framework, companies with higher B-BBEE scores are placed at an advantage during the procurement process.

4. INCENTIVES AND GRANTS

A total of R4,8 billion was approved to B-BBEE compliant companies, of which R550 million was approved to support black industrialists.

For all incentives, compliance with the B-BBEE Codes of Good Practice, 2013, are mandatory. However, two exceptions to this rule are the Special Economic Zones (SEZs), where applicants are state-owned entities, and 12I Tax Allowance scheme (12I), where compliance with the B-BBEE Codes of Good Practice is voluntary.

Five schemes, however, have more stringent requirements in terms of compliance to the B-BBEE Codes of Good Conduct. These are the Black Industrialists Scheme (BIS), where applicants are required to attain at least Level 4 in terms of the B-BBEE Codes and be owned by black South Africans as defined in the B-BBEE Act 46 of 2013, while the Agro-Processing Support Scheme (APSS), Aquaculture Development Programme (ADEP) and Critical Infrastructure Programme (CIP) also require applicants to at least achieve Level 4 in terms of the B-BBEE Codes. For the Foreign Film and Television Production and Post-Production (Foreign Film), as well as the South African Film and Television Production and Co-Production (SA Film) sub-programmes of the Film and Television Incentive (Film and TV), the holding company must achieve at least Level 3 and the Special Purpose Vehicle Company (SPVC) at least Level 4 in terms of the B-BBEE Codes of Conduct. In the third sub-programme of the Film and TV programme, emerging black filmmakers must achieve at least Level 2 in terms of the B-BBEE Codes of Conduct for both the holding company and SPVC.



The table below provides a breakdown across all the IFB Incentives.

Minimum Requirement	Incentives
Owned by black South Africans as defined in the B-BBEE Act 46 of 2013 and must achieve at least Level 4 in terms of the B-BBEE Codes of Good practice.	<ul style="list-style-type: none"> • BIS
Must achieve Level 1 to Level 4 in terms of the B-BBEE Codes of Good Practice, 2013.	<ul style="list-style-type: none"> • APSS • ADEP • CIP
The holding company must achieve at least Level 4 and the SPVC must achieve at least Level 3 in terms of the B-BBEE Codes of Good Practice, 2013.	<ul style="list-style-type: none"> • Foreign Film • SA Film
The holding company and SPVC must achieve at least Level 2 in terms of the B-BBEE Codes of Good Practice, 2013.	<ul style="list-style-type: none"> • Emerging Black Filmmakers (EBFM)
Percentage Share of Grant determined based on B-BBEE ownership status.	<ul style="list-style-type: none"> • Support Programme for Industrial Innovation (SPII)
Must submit a valid B-BBEE Certificate of compliance with Level 1 to Level 8 in terms of the B-BBEE Codes of Good Practice, 2013.	<ul style="list-style-type: none"> • Automotive Investment Scheme (AIS) • Technology and Human resource for Industry programme (THRIP) • Global Business Support Programme (GBS) • Export Marketing and Investment Assistance Scheme (EMIA) • Sector-Specific Assistance Scheme (SSAS) • Capital Projects Feasibility Programme (CPFP)
Voluntary Compliance	<ul style="list-style-type: none"> • 12I
State-owned applicants	<ul style="list-style-type: none"> • SEZ

5. OTHER KEY B-BBEE INITIATIVES

5.1 Advocacy on B-BBEE

5.1.1 For the period under review, **the dti** facilitated at least 90 advocacy engagements across all sectors of the economy, in a bid to harmonise the implementation of the B-BBEE Act and the Codes of Good Practice. These engagements have been because of initiation by the department or requests by stakeholders in both the public and private sectors. These engagements have largely been requests by stakeholders in both the public (more especially from local municipalities) and private sectors. The common thread was characterised by specialised scorecards, issues around skills and ESD elements, verification and procurement.

5.1.2 **the dti** continues to collaborate and work with state-owned entities through the State-Owned Entities Procurement Forum (SOEPF) for the implementation of its policies such as, but not limited to, Broad-Based Black Economic Empowerment, enterprise development, industrialisation policies, and localisation procurement opportunities. A revised service level agreement (SLA) between **the dti** and SOEPF was entered into during the year.

5.2 Central Supplier Database

5.2.1 The Centralised Supplier Database (CSD) is the central point for registration of all suppliers to government aligned fully to the criteria for B-BBEE.

5.2.2 **the dti** continues to provide technical support and inputs to the CSD to incorporate aspects of the B-BBEE Act No. 53 of 2003 as amended by Act No. 46 of 2013 and the Amended Codes of Good Practice and monitoring the implementation of BBEE legislation on public procurement.

5.2.3 A key area of improvement on data collection is that the CSD team should encourage vendors to update their demographic details on the CSD to obtain a thorough analysis of government spend.

5.2.4 Over the financial year, **the dti** provided extensive inputs in assisting the CSD to operate more efficiently. Templates for sworn affidavits for Exempted Micro-Enterprises (EMEs) and relevant 51% Black-Owned Qualifying Small Enterprises (QSEs) have been placed on the CSD website to ensure accessibility for end users.

5.3 YES INITIATIVE

- 5.3.1 On 28 August 2018, **the dti** gazetted the Youth Employment Service (YES) initiative for implementation. The YES initiative was one of the initiatives presented in the 2018 State of the Nation Address by President Ramaphosa. Its primary objective is to improve the employment outlook for young work seekers by offering work opportunities and therefore inclusion in the South African economy.
- 5.3.2 The YES initiative is a business-led collaboration with government and labour that was launched by the President on 27 March 2018. Its intention is to create one million quality work experiences for unemployed black youth, and its purpose is to improve their chances of meaningful participation through affording an employment or business opportunity.
- 5.3.3 The YES initiative will target youth that:
- Not younger than 18 years and not older than 35 years; and
 - A black person as defined within the B-BBEE Act.
- 5.3.4 Entities participate in the YES initiative by contributing towards a target either in the form of 1.5% of net profit after tax or 1.5% of the entity's headcount, in exchange for B-BBEE recognition level enhancements. Participating entities will have to maintain or improve their B-BBEE status level and performance against targets under the overall scorecard obtained in the previous year before participating in the YES initiative to ensure that there are no displacements of current B-BBEE initiatives.
- 5.3.5 The YES initiative does not aim to substitute the current B-BBEE framework, but it is an additional intervention with a specific objective to address youth unemployment. B-BBEE recognition is one of the enablers put forth by government to fast-track the achievements of the YES initiative. Entities that participate in the YES initiative are obligated to be B-BBEE compliant as well as achieve the sub-minimum scoring for the priority elements, namely ownership, skills development and enterprise and supplier development, under the Amended Codes of Good Practice.
- 5.3.6 As at the end of March 2020 the number of youth that benefitted under the YES initiative is 34 100, companies registered with YES is 665, and 117 of those received B-BBEE recognition.

5.4 B-BBEE EQUITY EQUIVALENT INVESTMENT PROGRAMME

- 5.4.1 Multinational companies that cannot sell their equity to black South Africans and have never sold equity outside their country of origin are allowed to make contributions towards the Equity Equivalent Investment Programme (EEIP). In return, they will be awarded full BEE ownership points for an agreed period based on the investment amount.
- 5.4.2 The value of the EEIP contribution may be measured against 25% of the business value of the South African operation or against 4% of the total revenue from its South African operations annually over the period of continued measurement.
- 5.4.3 These investments are focused on enterprise and supplier development, critical skills development, and research and development.
- 5.4.4 The beneficiaries of the programme are black South Africans and black-owned South African companies. To date, 12 multinational companies have been approved to participate in the programme.
- 5.4.5 During the 2019/20 financial year, **the dti** approved business proposals of 15 multinationals that will be investing in the economy using EEIP as an instrument. The total approved value is more than R7 billion to be spent in the next 10 years.



TEMPLATE ON REPORTING BY ORGANS OF STATE AND PUBLIC ENTITIES IN TERMS OF SECTION 13(G)(1) OF THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT NO. 53 OF 2003 AS AMENDED BY ACT NO. 46 OF 2013

Name of sphere of government/public entity/organ of state:	National
Registration number (if applicable):	
Physical address:	77 Robert Sobukwe Street, the dti Campus, Sunnyside, Pretoria 0002
Type of sphere of government/public entity/organ of state:	
Organisation industry/sector	Department of Trade and Industry

The following table must be completed in full by the sphere of government/public entity/organ of state:

Has the sphere of government/public entity/organ of state applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Circle relevant answer	Attachment
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law.	Yes/No Refer to Annexure	If Yes, please attach qualification criteria as well as the compliance report of implementation thereof in the Annual Report.
Developing and implementing a preferential procurement policy.	Yes/No Refer to Annexure	If Yes, please attach Preferential Procurement Policy as well as the compliance report of implementation thereof in the Annual Report.
Determining qualification criteria for the sale of state-owned enterprises.	Yes/No Refer to Annexure	If Yes, please attach qualification criteria as well as the compliance report of implementation thereof in the Annual Report.
Developing criteria for entering into partnerships with the private sector.	Yes/No Refer to Annexure	If Yes, please attach qualification criteria as well as the compliance report of implementation thereof in the Annual Report.
Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad-Based Black Economic Empowerment.	Yes/No Refer to Annexure	If Yes, please attach qualification criteria as well as the compliance report of implementation thereof in the Annual Report.

Approved by:

Accounting authority:

Sphere of government/public entity/organ of state:

Date: XX



